LOCAL CODE OF CORPORATE GOVERNANCE

North East Lincolnshire Council

Local Code of Corporate Governance

2023



Stronger Economy: Stronger Communities. **Together we can be stronger.**

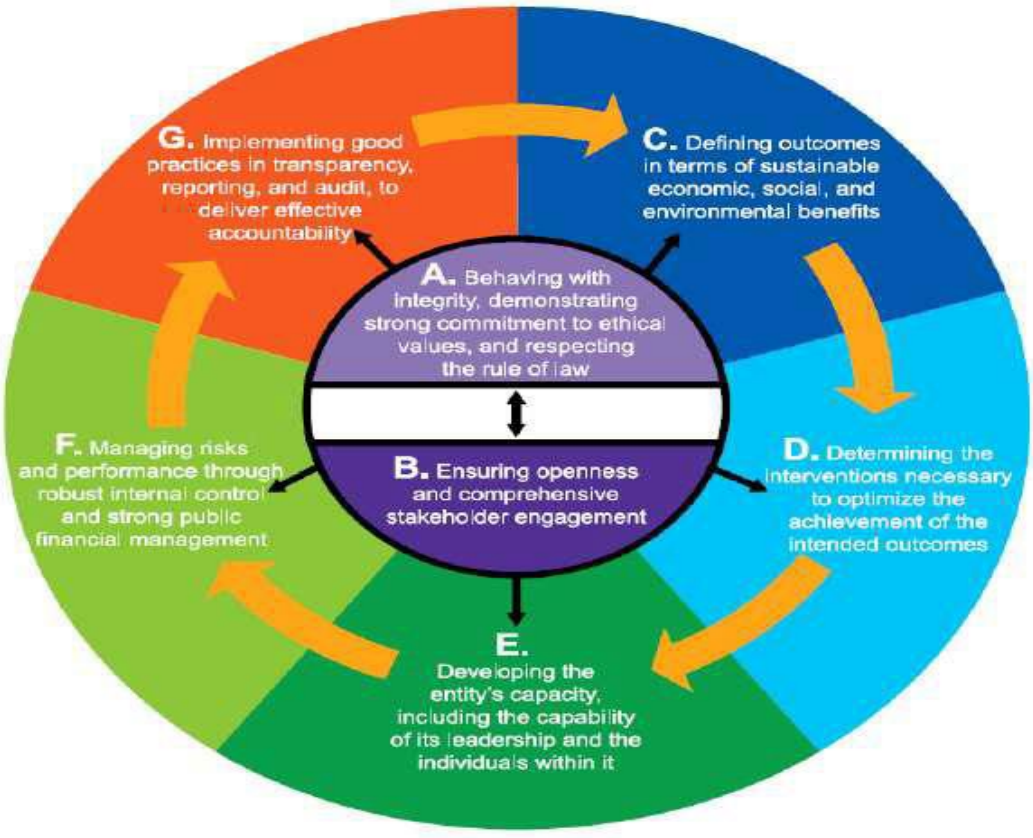
INTRODUCTION

Corporate Governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes culture and values. For councils this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate governance provides structure through which strategic objectives are set and performance monitored. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. The Council has developed and adopted a local Code of Corporate Governance which brings together in one document all the governance and accountability arrangements the Council currently has in place. The Code is based on best practice guidance set out in CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

Governance is about our organisational frameworks, responsibilities, systems, processes, culture and values. Good governance happens when these things come together to make us an effective organisation – doing the right things in the right way for the right people. Good governance is also about ensuring what we do is done in a timely, inclusive, honest and accountable manner.

The Code is written around the seven core principles set out in the CIPFA/SOLACE best practice guidance. The aim of the principles is that the local authority achieves its intended outcomes while acting in the public interest at all times. The principles are shown in the diagram below:



The design and content of the Code of Corporate Governance is subject to annual review by the Audit and Governance Committee and update to reflect changes in the Council's policies and processes.

The effectiveness of the governance arrangements are assessed annually and reported in the Annual Governance Statement (AGS). The Council has adopted the “three lines of assurance model”.

First Line – (delivery/operational area)

Each Director is required to complete an annual self-assessment as to how assurances are sought to confirm that the services and functions they are responsible for comply with each of the seven principles.

Second Line - (oversight of management activity and separate from those responsible for delivery)

A range of reports are produced annually or throughout the year from those responsible for the oversight of management activity which provide assurance on the operation of elements of the governance framework. These have been linked to each of the areas of the Code. In addition, there are a number of boards and groups which effectively contribute to the provision of assurance. These have been referred to in the second lines of defence within the Code.

Third line (independent oversight)

- External inspectorates, such as Ofsted and the Care Quality Commission
- External audit
- Internal Audit
- Ombudsman

These have been linked to each of the areas of the Code.

PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

SUMMARY: Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Behaving with Integrity
• Code of Conduct (members and officers) to ensure that high standards of conduct are maintained. • Established procedures for dealing with breaches of the Member Code of Conduct. • Standards and Adjudication Committee responsible for overseeing the conduct of members. • Declaration of interests at meetings. • Standard decision-making report format to ensure that all those responsible for taking decisions have the necessary information on which to do so. • Key decisions where appropriate are supported by an Equalities Impact Assessment. • Induction programmes in place for members and officers. • Customer Complaints and Comments Policy that is published on the website. • Feedback Policy for complaints, compliments and suggestions that is published on the website. • Reporting a Concern (Whistleblowing) Policy in place to enable individuals to raise concerns about malpractice or wrongdoing.
SUB PRINCIPLE: Demonstrating Strong Commitment to Ethical Values
• A regularly reviewed Constitution which sets out how the council operates and how it makes decisions. • Terms of Reference for all committees and decision-making meetings. • Declaration of Interests policies for members and officers. • Gift and Hospitality policies for members and officers with regular monthly reminders via email. • Policies and procedures that are reviewed and updated, to ensure adherence to ethical standards including People and Culture policies and Contract Procedure Rules. • A Partnership Protocol which is subject to regular review.
SUB PRINCIPLE: Respecting the Rule of Law
• Statutory roles clearly defined in the Constitution, including the role of Monitoring Officer responsible for ensuring the council operates within the law and decisions are administered correctly. • An Anti-Fraud & Corruption Strategy that is supported by a Fraud Response Plan, Anti-Money Laundering Policy, Anti-Bribery Policy and Whistleblowing Policy and a hotline for employees and customers to report irregularity and fraud. • Contract Procedure Rules designed to deliver robust and fair procurement processes.

- Information Governance Officer role.

Examples of how the Council receives assurance

- Annual report of the Standards and Adjudication Committee
- Annual review of the Constitution – reported to Full Council
- Annual Fraud Report – reported to the Audit and Governance Committee
- Information Governance and Security Annual Report – reported to the Audit and Governance Committee
- Children's Social Care Statutory Complaints and Compliments Annual Report
- Adult Social Care and Health Statutory Complaints and Compliments Annual Report
- Corporate Parenting Board – ensures the Council is fulfilling its duties towards looked after children corporately and in partnership with other statutory agencies

Third Line of Assurance

- Ombudsman Annual Review Letter

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

SUMMARY: 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.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Openness
• A statement of accounts which are published annually. • A Publication Scheme that describes the kinds of information available and provides guidance about how to access information and submit a Freedom of Information request. • A Council Plan that sets out the vision and priorities for North East Lincolnshire and strategic direction for the Council. • Systems in place to ensure that relevant decisions taken by officers are published in accordance with legislative requirements – Officer Decision Notice Record. • A standard decision-making report template is used to help ensure that readers are provided with information that is accurate, complete and unbiased. • Agendas, reports and minutes, for all committees of the Council (including Scrutiny, Cabinet and Full Council) are published on the Council's website and widely circulated. • Council meetings are open to the public unless there are good reasons for not doing so on the grounds permitted by statute. • Equality Impact Assessment guidance and forms are used for key decisions (where appropriate) and helps ensure that the decisions taken consider a range of potential impacts/risks. • Key decisions to be taken by Cabinet and Portfolio Holders are published in advance with the Forward Plan of Key Decisions.
SUB PRINCIPLE: Engaging Comprehensively with Institutional Stakeholders
• Established strong partnerships with the public sector, business and community and voluntary sector across North East Lincolnshire, including statutory arrangements for Community Safety, Health and Wellbeing and Safeguarding. • Mechanisms in place to consult where necessary. Consultation activity is evaluated throughout each consultation and upon completion. • A Community Engagement Toolkit that lays out how consultation with employees, partners, residents, businesses and other stakeholders should take place. • A Partnership Protocol in place and subject to regular review.
SUB PRINCIPLE: Engaging Stakeholders Effectively, Including Individual Citizens and Service Users
• Community Engagement Strategy that sets out how the Council will talk, listen and work with the community. • The Council has arrangements to engage with all sections of the community including seldom heard groups. • An Engagement & Consultation Register that is forwarded to Members and published on the Intranet and provides a look forward and back on engagement activity. • Greater use of social media to communicate with the communities. • Community Safety Partnership regularly engage and consult with the community about their priorities and progress towards achieving them. • A VCS forum is a conduit for the Council and HCP to understand, challenge and share key issues.

Examples of how the Council receives assurance
• Partnership Stocktake – reported to the Audit and Governance Committee • The Sustainable Communities Board - a multi-agency board focussed on place solutions to issues impacting on communities

PRINCIPLE C: Defining outcomes in terms of sustainable economic, social and environmental benefits

SUMMARY: The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Defining Outcomes
• The Outcomes Framework that sets out vision and priorities for North East Lincolnshire. The Council Plan articulates the Council's strategic priorities and the intended actions to deliver our aims. • Core strategic plans (such as Economic, Health and Wellbeing, Safeguarding, and Financial). • A Community Engagement Strategy that sets out how the Council will talk, listen and work with the community.
SUB PRINCIPLE: Sustainable Economic, Social and Environmental Benefits
• The Council has a published Environmental Policy Statement highlighting its commitment to sustainable environment and an Air Quality Strategy. • Carbon Road Map adopted that sets a pathway for meeting Carbon Net Zero targets for the Council and the Borough. • Natural Asset Plan that outlines the Council's strategy for managing and enhancing natural environment. • Impact Assessment guidance that is used for all key decisions helps ensure that the decisions taken consider a range of potential impacts/risks. • A Social Value Policy that is designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement.
Examples of how the Council receives assurance
• Performance Reports to Cabinet and Scrutiny • Development and Growth Board – tasked with responsibility for setting the Economic Strategy for NEL and monitoring its delivery

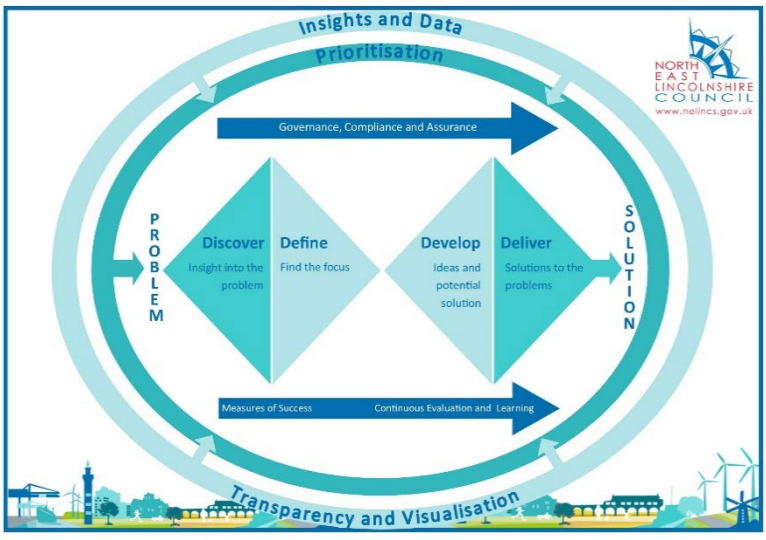
PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes

SUMMARY: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

North East Lincolnshire Council demonstrates this by:

SUB PRINCIPLE: Determining Intervention

- The standard format of decision-making reports to ensure that all relevant information is considered such as analysis of options, risks, resource implications, and outcomes of Equality Impact Assessment etc.
- A financial planning process that determines level of resources to achieve council priorities and outcomes and meet statutory duties.
- A new model for discovery of issues, definition and development of new solutions has been developed in 2022 and is shown below. This will be further embedded during 2023.



SUB PRINCIPLE: Planning Interventions

- The Council Plan (2022-25) states the Council's strategic priorities and actions to deliver them. It contains a suite of 'Vital Signs' indicators by which will measure progress. These are reported to Cabinet and Scrutiny on a quarterly basis.
- More detailed service specific performance information that are reported to relevant Scrutiny panels at agreed intervals.

- As part of the budget setting process, on an annual basis each area of the business produces a Business Plan that outlines proposals for delivery within budget.

SUB PRINCIPLE: Optimising Achievement of Intended Outcomes

- The annual budget is prepared in line with agreed Financial Strategy. The Council publishes its Financial Strategy bi-annually. The Council's Financial Plan reflects a three-year cycle in conjunction with a detailed one-year budget. This is intended to include realistic estimates of revenue and capital expenditure.

Examples of how the Council receives assurance

- Safeguarding Children's Partnership Annual Report - reported to Children & Lifelong Learning Scrutiny Panel
- Safeguarding Adults' Board Annual Report - reported to the Health and Adults Social Care Scrutiny Panel
- Public Health Annual Report – reported to Cabinet
- Virtual School Headteacher Annual Report - reported to Children & Lifelong Learning Scrutiny Panel
- Independent Reviewing Officers Annual Report - reported to Children & Lifelong Learning Scrutiny Panel
- Council Plan Quarterly Report – reported to Cabinet
- Community Safety Board - oversees the role of the Community Safety Partnership
- Special Education/Disability Board – an overarching strategic forum for a wide range of partners to discuss areas of common interest for children and young people with special educational needs or disability

Third Line of Assurance

- Peer Challenges
- External inspectorates, such as Ofsted and the Care Quality Commission

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

SUMMARY: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills. and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Developing the Entity's Capacity
• Producing value for money focused analysis on an annual basis to inform whether the right outputs and outcomes are being delivered by the financial input (costs). This information is used to support the budget setting process. • Fostering effective relationships, collaborative working and contractual arrangements with other public, private and voluntary organisations in delivering services. • A People Strategy consisting of agreed approaches and activities that is targeted at supporting all aspects of the organisation in ensuring we attract, retain and develop our workforce.
SUB PRINCIPLE: Developing the Capability of the Entity's Leadership and Other Individuals
• A Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules. • Protocols that are in place for governing members' and statutory officers' responsibilities. Portfolio Holder remits are set out in the Constitution. • A Scheme of Delegation that is reviewed annually in light of legal and organisational changes. • Induction Programmes for members and officers. • Training for employees is made available through the annual Corporate Training Programme • An appraisal and supervision framework based on restorative principles, which holds staff to account through regular performance reviews which take account of training or development needs. • Trainee programmes offering training, skills and experience in Local Government. • A Workforce Planning Toolkit is available and helps managers through the Workforce Planning process. • Health & Safety policies are in place.
Examples of how the Council receives assurance
• Quarterly Human Resources monitoring reports • Annual Value for Money (VFM) report – reported to Audit and Governance Committee • Annual review of the Constitution – reported to Full Council • Occupational Health and Safety Performance Report

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

SUMMARY: Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Managing Risk
• Risk and Opportunities Policy and approach including robust systems of identification, evaluation and control of risks that threaten the Council's ability to meet its objectives to deliver services to the public. • Responsibilities for managing individual risks are contained within the Risk and Opportunities Policy. • The Assurance Board regularly reviews the strategic risk register and seeks assurances that it is kept up to date and actions to mitigate risks are implemented.
SUB PRINCIPLE: Managing Performance
• Key indicators have been identified which support the Council Plan. Assigned leadership team members are responsible for the monitoring of the delivery of performance measures in support of the outcomes. • The format of decision-making reports ensure that all relevant information is considered. • The Constitution, through its Overview and Scrutiny Procedure Rules, gives opportunities for the scrutiny panels to challenge and debate policy and objectives before and after decisions are made with the ability to refer matters back to the decision-making forum with recommendations or escalation to Full Council. • Agenda and minutes of scrutiny meetings and any associated reports with recommendations to the Executive are published on the Council's website. • Contract Procedure Rules and Financial Regulations set out the Council's arrangements and ensure that processes continue to operate consistently.
SUB PRINCIPLE: Robust Internal Controls
• An Assurance Board (made up of the senior leadership team) seeks assurance on the operation of the Council's control environment.

- Corporate Governance Group (made up of officers responsible for key aspects of the control environment) considers corporate and operational governance matters and escalates any issues of significance to the Assurance Board.
- Head of Internal Audit who provides an opinion on the council's control environment.
- The Managers' "Guide to the Control Environment" provides guidance to managers on the control environment and their responsibilities in relation to it.
- The Council is subject to External Audit and inspection regimes that require action plans that are assigned to officers.
- Anti-Fraud and Corruption Strategy that is subject to regular review.
- Annual Governance Statement that provides a high-level summary of how the Council is meeting the principles of good governance.
- Internal Audit prepares and delivers a risk-based audit plan which is kept under review to reflect changing priorities and emerging risks.
- The Audit and Governance Committee, which is independent of Cabinet (and has an independent chair), oversees the management of governance issues, internal controls, risk management and financial reporting. Its performance is subject to annual self-assessment.
- A framework in place to obtain assurance in relation to clinical governance encompassing quality assurance, quality improvement, risk and patient safety management.

SUB PRINCIPLE: Managing Data

- Procedures for the effective, lawful, fair and transparent processing of data are set out in the Council's Record Management Policy and Information Governance Framework and Data Protection Policy.
- The Council's ICT and Information Security Policy provides guidance on the arrangements that must be in place and followed to ensure personal and confidential data is kept protected and secure.
- Effective information sharing is undertaken in accordance with the UK's General Data Protection Regulation, Data Protection Act and the Council's Data Protection Policy. Information Sharing Agreements, are reviewed on a regular basis, are in place to document the sharing of information using national agreements or the template in the Humber Information Sharing Charter.
- Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through the mandatory information governance training and supported with regular refresher and update activities including intranet postings, e-mails and articles in Vision.
- Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices and service specific notices published on the Council website and individual Privacy Statements on forms, in booklets etc.
- Data verification and validation processes are integrated within systems and processes.

SUB PRINCIPLE: Strong Public Financial Management

- The Medium-Term Financial Plan makes a realistic assessment of the resource that growth allows and allocates that resource to create a sustainable council capable of delivering council priorities and outcomes.
- Financial procedures are documented in the Financial Regulations.
- With effective financial management secured through budget planning and control using a system of devolved budget management.
- Financial accountability applied through a hierarchy of reporting arrangements up to council level.
- Monthly budget monitoring procedures are in place.

Examples of how the Council receives assurance
• Risk Management Annual Report – reported to the Audit and Governance Committee • Annual Scrutiny Report – reported to Full Council • Performance Reports to Cabinet and Scrutiny • Annual Fraud Report – reported to Audit and Governance Committee • Annual report of the Audit and Governance Committee which provides assurance that it operates in good practice • Self-assessment against the "Code of Financial Management" • Information Governance and Security Annual Report – reported to Audit and Governance Committee • Annual Treasury Report – reported to Cabinet • Information Security and Assurance Board – provides leadership and direction on information governance and security
Third Line of Assurance
• Head of Internal Audit Annual Report and Opinion • 5 yearly external quality assessment of Internal Audit • External Audit Annual Report • NHS Data Security & Protection Toolkit • Public Services Network (PSN) compliance

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

SUMMARY: 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.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Implementing Good Practice in Transparency
• Agendas, reports and minutes are published on the Council's website. • Reputation section included in reports template. • A style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear. • Publication of officer decisions on the Council's website. • Compliance with the National Transparency Code.
SUB PRINCIPLE: Implementing Good Practices in Reporting
• Annual Financial Statements are compiled, published to timetable and included on the Council's website. • A review of VFM activities reported to the Audit & Governance Committee annually.
SUB PRINCIPLE: Assurance and Effective Accountability
• The AGS that sets out the council's governance framework and the results of the annual review of the effectiveness of the council's arrangements. The AGS includes areas for improvement/focus. • An effective internal audit service is resourced and maintained. • Head of Internal Audit report which includes a self-assessment of its arrangements against the public sector internal audit standards. • External Audit provides an annual opinion on the Council's financial statement and arrangements for securing Value for Money. • The Council actively welcomes peer challenge, reviews and inspections from regulatory bodies. • The Council's scrutiny arrangements are well established and provide challenge and review and promote service improvement.
Examples of how the Council receives assurance
• Statement of accounts • Annual VFM report • Annual Scrutiny Report
Third Line of Assurance
• Head of Internal Audit Annual Report & Opinion • External Audit Annual Report • Peer Challenges • External inspectorates, such as Ofsted and the Care Quality Commission

Appendix 1

Boards/Groups – 2022/2023

The Council has a number of officer boards and groups to support the governance framework including those identified in the table below:

Board/Group	Purpose
Assurance Board	Monitors the control environment at a council wide level
Business Development Group	Appraises all new business cases to ensure that they meet priorities
Children's Improvement Board	Oversees the delivery of the Children's Services Improvement Plan. It is supported by Oversight Group
Community Safety Partnership Board	Oversees the role of the Community Safety Partnership. A Statutory Board that brings together a range of partners to provide strategic leadership around improving community safety and reducing crime and disorder
Corporate Parenting Board	Ensures the Council is fulfilling its duties towards looked after children corporately, and work in partnership with other statutory agencies
Development and Growth Board	Monitors the delivery of the Economic Plan
Domestic Abuse Strategic Board	Multi Agency Board responsible for reducing Domestic Abuse and overseeing the statutory duties around Safe Accommodation contained
Estates and Capital Programme Board	Responsible for all corporate asset led projects and operational corporate property and land matters
Freshney Place Oversight Group	Provides oversight of operational activity and decision making relating to Freshney Place
Future High Street Funds Board	Oversight of the project
Greater Grimsby Board	Leads on Grimsby Town Fund and is the vehicle through which the vision and strategy for the town is defined
Health and Wellbeing Board	Established to join up commissioning services across the NHS, social care, public health and voluntary sector to benefit the health and wellbeing of local people
Housing and Developers Forum	Provides a strong focal point for discussing all housing related matters across the Borough
HR Stakeholder Group	Provides opportunity to engage on changes to People & Culture policies
Integrated Care Partnership Environment Group	In place to support the Green Agenda
Information Security and Assurance Board	Provides leadership and direction on information governance and security
Major Projects Groups	Oversight of the delivery of major capital projects

Board/Group	Purpose
Equans Operations Group	Reviews operational performance and any matters arising from the Equans Partnership. Ensures the Partnership is delivering agreed outcomes and risks are managed accordingly
Equans Partnership Board	Provides strategic lead, oversight and direction for the Equans Partnership
Place Board	A forum for Local Authority and public sector partners to come together to come together to look at emerging and strategic issues on a borough wide basis
Safeguarding Adults Board	Which provides strategic lead and direction for the partners
Safeguarding Children Partnership	Co-ordinates safeguarding arrangements, and provides assurance on the effectiveness of them
Schools Capital Board	Leads on projects aligned to the schools
South Humber Infrastructure & Investment Board	Oversight of delegated activities
Special Education/Disability Board	An overarching strategic forum for a wide range of partners to discuss areas of common interest for children and young people with special educational needs or disability
SteerCo Board (Freeport)	Governance in place in relation to the Freeport through “SteerCo”, which includes NELC representation
Sustainable Communities Board	Multi-agency board focussed on place solutions to issues impacting on communities
Together for All Board	Representatives from primary, secondary and post 16 education
Treasury Management Strategy Group	Discusses borrowing, lending and cash flow
Youth Partnership Board	Statutory Board that brings together key partners to provide strategic direction around reducing youth offending