BRIDGEND COUNTY BOROUGH COUNCIL

CODE OF CORPORATE GOVERNANCE

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1.   Introduction

1.1   The Council is committed to the principles of good corporate governance.   It has a duty to make proper arrangements for the governance of its affairs, secure continuous improvement in the way its functions are discharged and have robust arrangements in place for the management of risk. The development, adoption and continued implementation and monitoring of a Code of Corporate Governance confirms this commitment.

1.2   Good governance is about doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable way. When the Wales Audit Office (WAO) undertook a Good Governance Diagnostic review at BCBC in 2009, they concluded that there are examples of good governance principles being embedded in the way the Council works and that BCBC compares well with other Councils across Wales.

1.3   This Code describes the Council's understanding of corporate governance, and outlines the framework it has put in place to ensure that these arrangements are effective. The Code reflects a joint commitment by Members and senior managers to the principles it contains. This helps to ensure that the principles of corporate governance are not only fully embedded and cascaded throughout the Authority, but that they have the support of the Council, the Chief Executive and the Corporate Management Team.

2.   Why adopt a Code of Corporate Governance?

2.1   Adopting a Code of Corporate Governance is another way in which the Council shows its recognition of the fact that effective local government relies upon establishing and maintaining the confidence of local people in both elected Members and Council officials. Good corporate governance underpins credibility and confidence in the leadership and forms the foundation from which all Council services are provided.

2.2   Adopting, monitoring and complying with a Code of Corporate Governance helps enhance the Council's legitimacy and acknowledges the trust placed in the Council by local people.

2.3   Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens' confidence, these mechanisms must not only be sound, but also be seen to be sound.

2.4   Corporate governance comprises the framework within which the Council manages its business; this includes the Council's constitution, and the various procedure rules, codes and protocols contained therein. It also includes the systems and processes, and the culture

and values by which the activities of the Council are directed and controlled, and how it accounts to and engages with its citizens. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

2.5 Adopting this Code of Corporate Governance provides a basis for a Council wide commitment to the way in which it intends fulfilling its role in leading and representing the community and ensuring that there is a strong customer focus underpinning everything that the Council does.

3. What is Corporate Governance?

3.1 The Council has a key role in governing and leading our community. Effective local government relies on public confidence in elected Members and Council officers.

3.2 Effective systems of Corporate Governance provide confidence in public services.

3.3 Corporate Governance is a phrase used to describe how organisations direct and control what they do.

3.4 For local authorities this also includes how a Council relates to the communities that it serves.

3.5 Good Corporate Governance requires local authorities to carry out their services in a way that demonstrates accountability, openness and honesty.

4. Why do we need a Code of Corporate Governance?

4.1 Corporate Governance is important because it supports:

- Provision of high quality public services

  Within the UK, governance weaknesses have sometimes led to significant failures in public services. High performing organisations, on the other hand, generally have effective governance arrangements.

- Raising public trust

  The public's trust is increased when they perceive the quality of services that they and their families experience to be sound and when organisations are seen to be open and honest in communicating their performance and learning from their mistakes.

4.2   The Code of Governance is based upon the following six core principles which are taken from "The Good Governance Standard for Public Services", which have been adapted for local government purposes. These can be aligned with the principles and values set out by the Welsh Government (WG) as shown via the wording in italics.

1.   Focusing on the Council's purpose and on outcomes for the community and creating and implementing a vision for the local area; *(Putting the Citizen First)*; *(Achieving Value for Money)*.

2.   Members and officers working together to achieve a common purpose with clearly defined functions and roles; *(Knowing Who Does What and Why)*;

3.   Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour; *(Living Public Service Values)*;

4.   Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; *(Fostering Innovation Delivery)*;

5.   Developing the capacity and capability of Members and officers to be effective; *(Being a Learning Organisation)*;

6.   Engaging with local people and other stakeholders to ensure robust public accountability; (*Engaging with Others*);

This Code describes how the Council will meet and demonstrate its commitment to these six Principles. It also describes how the Council's corporate governance arrangements will be monitored and reviewed.

5.   **The Corporate Governance Principles.**

5.1   **Principle 1.**

Focusing on the Council's purpose, on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

WAG – Putting the Citizen First – Achieving Value for Money
"Good governance means focusing on people's needs and experiences, making the organisation's purpose the delivery of a high quality service" – "Good Governance means looking after taxpayers' resources properly, and using them carefully to deliver high quality, efficient services".

It is important that the Council fulfils its purpose and achieves its intended outcomes for citizens and service users. This requires a clear vision for the area and effective leadership to harness available resources in pursuit of this. The Council works closely with its partner agencies via the Local Service Board to ensure that best use is made of available resources and that tax payers and service users receive value for money. Citizens generally and users of specific services should receive a good quality service, whether this is delivered by the

Council directly or through partnership arrangements or by being commissioned from other providers.

In pursuance of this the Council will:-

5.1.1 Provide timely and understandable information about the Council's activities, achievements, performance and financial position. This will be achieved by publishing:

- A Community Strategy (replaced with a Single Integrated Partnership Plan from 2013)
- A Corporate Plan
- Its Improvement Objectives
- Externally audited accounts (including the Annual Statement on Governance);
- Performance information.

5.1.2 The Council aims to deliver high quality services that provide value for money and will achieve this by:

- Regularly reviewing its plans for the local community
- Delivering services that are responsive to local needs, and put in place processes to ensure that they operate efficiently and effectively
- Directing resources to those that need services most, when appropriate to do so
- Promoting collaborative arrangements with other public and voluntary sector agencies and positive relationships with the private sector
- Responding appropriately to the findings and recommendations of External Auditors and other regulatory bodies; putting in place arrangements for the implementation of agreed actions
- Developing an understanding about the services provided by similar organisations and assessing why differences arise.

5.2 **Principle 2**

Members and officers working together to achieve a common purpose, with clearly defined functions and roles.

WAG – Knowing Who Does What and Why
"Good governance means that everyone involved in delivering a service understands each other's roles and responsibilities and how together they will deliver the best possible outcomes".

The Council needs to ensure that residents understand its role and the levels of service they can expect. It will ensure that roles and responsibilities of senior management, Cabinet, Scrutiny and

relevant others are defined in the constitution and that this is reviewed on a regular basis. The scheme of delegation is a particularly important part of the constitution as this identifies how decisions can be made and who is accountable for these.

5.2.1   Effective leadership requires clarity regarding roles of executive (Cabinet) and non-executive members and respect and recognition for the scrutiny function. In addition to this, constructive working relationship between members and staff, mutual respect for each of these respective roles is vital.

5.2.2   The Council will achieve this by:

- Appointing a Leader of the Council with powers to appoint Cabinet Members with specific responsibilities

- Appointing Committees to carry out the Council's Regulatory responsibilities

- Appointing Committees to carry out the Council's Scrutiny responsibilities

- Ensuring roles and responsibilities are defined in the Constitution and that this is regularly reviewed

- Having a scheme of delegated responsibilities

- Ensuring that decisions taken by individuals under powers delegated to them are properly recorded

- Having in place effective arrangements for the scrutiny of services and for holding the Cabinet to account.

- Ensuring that appropriate advice is given on all financial matters, that proper financial records and accounts are maintained and that an effective system of internal control is in place

- Ensuring that agreed procedures are followed and that applicable statutes and regulations are complied with

- Having arrangements in place to ensuring that Members and Officers are not influenced by prejudice, bias or conflicts of interest in decision making processes and when dealing with different stakeholders

- Ensuring Council partnerships have clear governance arrangements in place i.e. clarity about the legal status of the partnership and the roles and responsibilities of the partners.

5.3   Principle 3

Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

WAG – Living Public Service Values
"Good governance means creating a team that can do the job well, whose behaviours are rooted in public service values".

High standards of conduct and effective governance can only be achieved if those who hold public office have the highest standards of behaviour and encourage others to do so. The council's core values are captured in the acronym FACE:-

- **Fair** – *considering everyone's needs and circumstances*
- **Ambitious** – *always trying to improve what we do and aiming for excellence*
- **Customer Focussed** – *remembering that we are here to serve our local communities*
- **Efficient** - *delivering effective services that are value for money*

5.3.1   The Council will adopt a culture of behaviour based on shared values, ethical principles and good conduct. The Council will achieve this through:

- A member Code of Conduct
- An Officer Code of Conduct
- Contract Procedural Rules
- A Whistleblowing Policy
- A protocol for Member/Officer relations

5.3.2   The Constitution outlines the mechanisms for promoting and monitoring the application of these arrangements. The Management Standards are based on 'behaviours' and set out what is expected of the Council's managers to ensure high performance is secured. These form part of the Council's performance management framework.

5.4   Principle 4

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

WAG – Fostering Innovative Delivery
"Good governance means being creative and innovative in the delivery of public services – working from evidence, and taking managed risks to achieve better outcomes".

Informed decision making is a fundamental part of good corporate governance. It requires councils to be rigorous and transparent in their examination of options but also open to listening and acting on the outcome of constructive scrutiny and views from all sectors of the community.

5.4.1   The Council will be open and honest about how decisions are taken and recorded and will ensure that risks are considered within the decision making process.

5.4.2   The Council will achieve this by:

- Observing specific legislative requirements placed on all Councils and the requirements of general law
- Having rules and procedures which show how decisions are made
- Ensuring that decision making reports explain the background in an open and transparent way
- Recording all decisions that are made by Committees and officers and making the details publicly available, excepting decisions of a confidential or exempt nature
- Ensuring reports contain financial implications
- Ensuring equality impact assessments are undertaken when appropriate
- Ensuring risks and mitigating actions are considered within decision making processes
- Developing and maintaining an effective scrutiny function which encourages constructive challenge
- Maintaining an effective Audit Committee which is independent of the Executive and Scrutiny Functions
- Having arrangements in place for whistle-blowing to which staff and those contracting with the authority have access

5.4.4   The Council will maintain a risk management system that assists the achievement of corporate priorities, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

5.4.5   The Council will ensure that the risk management system:-

- Operates effectively and identifies and manages risks
- Is embedded into the culture of the authority with Members and all managers recognising that risk management is part of their role
- Involves elected members in the risk management process
- Links risks to financial and other key internal controls
- Incorporates service and business continuity planning

- Enables a corporate risk assessment to be maintained and that this is reviewed at least annually

5.5   Principle 5

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

WAG – Being a Learning Organisation
"Good governance means always learning and always improving service delivery".

Effective local government relies upon public confidence in authority members and officers. All Councils need people with the right skills and experience to direct and control them effectively. Governance is strengthened by the participation of people with many different types of knowledge and experience.

5.5.1   The Council is committed to developing the capability of those with governance responsibilities and evaluating their performance.

5.5.2   The Wales Charter for Member Support and Development offers a framework within which all councils can assess and further develop support for elected Members, enabling them to meet the increased challenges and heightened expectations placed on them. Bridgend County Borough Council has been awarded 'Charter status' and in due course, consideration will be given to pursuit of the advanced award.

5.5.3   Learning opportunities will be available for staff at all levels. This will help ensure that those responsible for the governance of the Council have the skills, knowledge and experience they need to perform well.

5.5.2   The Council will achieve this by:

- Implementing a Member Development Strategy
- Developing leadership skills and capacity across the Council
- Maintaining effective arrangements for staff appraisals to be undertaken to assess their performance and development needs
- Having arrangements in place to review the performance of all service areas to help ensure that the Council's priorities are being achieved
- Providing information to Members and officers on a regular basis about the discharge of the Council's responsibilities

5.6   Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability.

WAG – Engaging with Others
"Good governance means ensuring that the views and contributions of staff, the public and partner agencies are sought and harnessed to achieve the best possible outcomes".

Local authorities not only have to do things in the right way, but have to face the additional challenge of being seen to do things in the right way.   This requires full engagement with local people where appropriate through a process which is planned and resourced in a way that is fair.

5.6.1   The Council will achieve this by:

- Holding meetings in public unless there are good reasons for confidentiality
- Producing a Corporate plan outlining the Council's vision and its plans for services delivered within the community
- Producing an Annual Report on the work of the Overview and Scrutiny Function
- Publishing information on the Council's financial statements along with information about it's achievements and outcomes
- Developing and maintaining a citizen engagement strategy
- Engaging in consultation in a meaningful way and through mechanisms which seek to capture the views of all residents where appropriate.
- Working with other public sector partners to help residents understand our respective responsibilities and what we aim to achieve by working in partnership.
- Maintaining and reviewing an effective complaints procedure.

6.   Monitoring and Review

6.1   Good corporate governance requires the active participation of Members and officers across the Council. These arrangements will be reviewed on an annual basis and the findings of this work will be reported in the Annual Governance Statement. This will help ensure the continuous improvement of the Council's Corporate Governance culture.

6.3   The adoption and maintenance of an up to date Code of Corporate Governance, including arrangements for ensuring its implementation and ongoing application is an important part of the process.

6.4   The Audit Committee is responsible for monitoring and reviewing the Governance arrangements as described in this Code.

6.5   Through that Committee the Council will ensure that these arrangements are kept under continual review. This will include consideration of :

- The work undertaken by internal audit;
- Reports prepared by managers with responsibility for aspects of this Code;
- Reports and opinions expressed by external auditors
- Reports of other regulatory bodies and Inspectorates.

7.   The Annual Governance Statement

7.1   Each Year the Council will publish an Annual Governance Statement (AGS).

7.2   This will provide an overall assessment of the Council's Corporate Governance arrangements and an appraisal of the controls in place to manage the Council's key risks.

7.3   The AGS will also provide details of where improvements need to be made.

7.4   The AGS will be reviewed by Corporate Management Board and approved by the Audit Committee, prior to being signed by the Leader of the Council and the Chief Executive.

7.5   The AGS will be published as part of the Council's Annual Statement of Accounts and will be reviewed by our External Auditors.