Mansfield District Council

Code of Corporate Governance

February 2017

Mansfield
District Council

1.   Introduction

1.1   The Council has a statutory responsibility as stated in the Accounts and Audit Regulations 2015 to review its existing governance arrangements, develop and maintain an up to date local Code of Corporate Governance (the Code), which includes arrangements for ensuring ongoing effectiveness, and to prepare an Annual Governance Statement (AGS) which reports publically on the Council's compliance with the Code and the monitoring of the effectiveness of its governance arrangements.

1.2   This document is Mansfield District Council's Code and clearly states how it will apply the principles of corporate governance in the way it operates and conducts its business. It has been developed in accordance with the principles outlined in the CIPFA/SOLACE "Delivering Good Governance in Local Government" (2016) framework and accompanying guidance notes.

2.   Definition of Governance

2.1   The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) defines governance as:

"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 the 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 interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders."

2.2   Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes and cultures and values, by which the Council is directed and controlled and through which the Council engages with, leads and publically accounts to its community.

2.3   Good governance enables the Council to define and pursue its vision more effectively. It leads to improvements in management, performance, stewardship of public money and engagement with its stakeholders and community. It ensures that appropriate mechanisms for control are in place to ensure that risks and opportunities are managed effectively.

3. Core Principles of Good Governance

3.1 The following core principles have been taken from the International Framework as interpreted by CIPFA/SOLACE for a local government context with principles A and B "permeating" implementation of principles C - G:

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

B. Ensuring openness and comprehensive stakeholder engagement

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

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

E. Developing the Council's capacity, including the capability of its leadership and the individuals within it

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

G. Implementing good practices in transparency reporting and audit to deliver effective accountability

4. Applying the Principles of Good Governance

4.1 Each of the seven core principles A – G above have a number of sub-principles, which in turn translate into a range of specific behaviours and actions that apply across the various aspects of the Council's business in order to demonstrate good governance. The tables below state how these principles will be applied at Mansfield District Council:

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

Sub-Principles	The Council will:
Behaving with integrity	- Ensure that 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 values for the Council and its staff and that they are communicated and understood. These will build on the Seven Principles of Public Life (Nolan Principles) - Lead by example and use the above values as a framework for decision making and other actions - Demonstrate, communicate and embed the above values through appropriate policies and processes which will be reviewed on a regular basis to ensure that they are operating effectively
Demonstrating strong commitment to ethical values	- 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

Sub-Principles	The Council will:
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

Principle B: Ensuring openness and comprehensive stakeholder engagement

Sub-Principles	The Council will:
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, with a presumption for openness. If this is not the case, a justification for the reasoning for keeping a decision confidential will be provided - Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders, being explicit about criteria, rationale and considerations used and will in due course ensure that the impact and consequences of these decisions are clear

Sub-Principles	The Council will:
Openness	Use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action
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
Engaging with individual citizens and service users effectively	- Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve its community, 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 the community, 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

Sub-Principles	The Council will:
Engaging with individual citizens and service users effectively	• Take account of the impact of decisions on future generations of tax payers and service users

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

Sub-Principles	The Council will:
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 either 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
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

Sub-Principles	The Council will:
Sustainable economic, social and environmental benefits	• Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through 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

Sub-Principles	The Council will:
Determining interventions	• Ensure that decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes will be achieved and associated risks. This will ensure that best value is achieved however services are provided • 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
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 will be planned and delivered • Consider and monitor risks facing each partner when working collaboratively, including shared risks

Sub-Principles	The Council will:
Planning interventions	• 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 will be measured • Ensure that 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 • Inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
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

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

Sub-Principles	The Council will:
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 will be 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
Developing the capability of the entity's leadership and other individuals	• Develop protocols to ensure that elected and appointed leaders clarify 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 the Executive and Council • Ensure the executive mayor 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

Sub-Principles	The Council will:
Developing the capability of the entity's leadership and other individuals	• Develop the capabilities of members and senior management to achieve effective leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risk by: - Ensuring members and employees 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 employees 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 ensure leaders are open to constructive feedback from peer review and inspections • Hold employees to account through regular performance reviews which will take account of training / 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

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

Sub-Principles	The Council will:
Managing Risk	- Recognise that risk and opportunity management is an integral part of all activities and that it must be considered in all aspects of decision making - Implement robust and integrated risk and opportunity management arrangements and ensure that they are working effectively - Ensure that responsibilities for managing individual risks and opportunities are clearly allocated
Managing performance	- 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 Council'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 and post implementation reporting
Robust internal control	Align the risk and opportunity management strategy and policies on internal control with achieving objectives

Sub-Principles	The Council will:
Robust internal control	• Evaluate and monitor risk and opportunity 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 and opportunity management and control is provided by the internal auditor • Ensure that the Audit Committee is independent of the executive and accountable to the Council: - provides a further source of effective assurance regarding arrangements for managing risks and opportunities and maintaining an effective control environment - that its recommendations are listened to and acted upon
Managing data	• Ensure effective arrangements are in place for the safe collection, storage, use and sharing of 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
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

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

Sub-Principles	The Council will:
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 will ensure that they are easy to access and interrogate • Strike a balance between providing the right amounts of information to satisfy transparency demand and enhance public scrutiny while not being too onerous to provide and for users to understand
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 this framework have been applied and publishing the results of this assessment, including an action plan for improvement and evidence to demonstrate good governance • Ensure that this framework is also applied to jointly managed or shared service organisations • 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
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

Sub-Principles	The Council will:
Assurance and effective accountability	• Welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations • Gain assurance on risks associated with delivering services through third parties and that evidence this in the AGS • Ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met

5.   <u>Annual Review and Reporting</u>

5.1   The Audit and Information Assurance Manager will carry out an annual review of the Council's compliance with this Code and report findings to the Corporate Leadership Team (CLT) and the Audit Committee. The outcomes from this review will inform the Council's AGS.