

Croydon Council

Corporate Code of Governance - 2017

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Introduction – What is Governance?

“Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people in a timely inclusive, open, honest and accountable manner. In the case of local authorities, it comprises of the systems and processes for the direction and control through which they account to, encourage with and lead their communities.”

‘CIPFA/SOLACE, Delivering Good Governance in Local Government – 2007’

Croydon Council has chosen to define Governance as **“Doing the Right Thing”**.

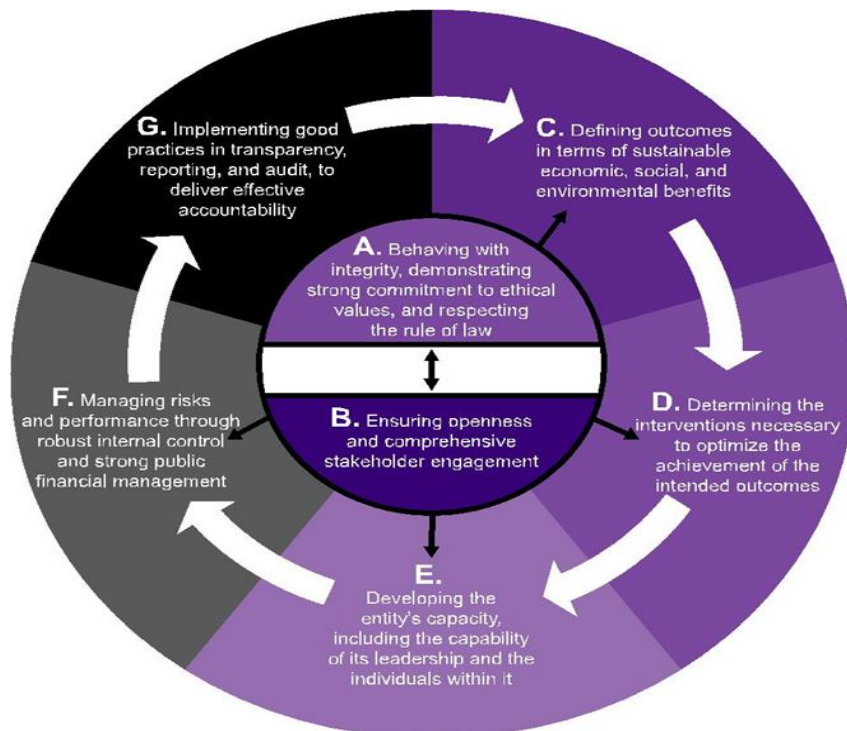
Croydon Council will produce a code of Corporate Governance which is reviewed on an annual basis. Guidance for preparing the code is provided by the Chartered Institute for Public Finance and Accountancy (CIPFA).

CIPFA has developed a framework for Good Governance in the Public sector based on the International framework, Good Governance in the Public Sector.

Within this framework Governance is defined as;

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved”.

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



The diagram above, taken from the International Framework: **Good Governance in the Public Sector** (CIPFA/IFAC, 2014) (the ‘International Framework’), illustrates the various principles of good governance in the public sector and how they relate to each other.

The International Framework notes that:

Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

Effective Governance within the Public Sector encourages improved decision making and aids with efficient use of resources. Effective Governance is characterised by implementing robust scrutiny which will provide important pressures for improving Public Sector performance and aid in tackling corruption.

Effective Governance will also aid management in leading to provide improved service delivery and ultimately, allow for better outcomes.

The Council's Governance Framework is the set of rules and procedures which convey the standards of behaviour that the Council expects of its Members and staff (Including interim staff and consultants). It also deals with the way in which Members (Councillors) and officers (employees, interims and consultants) should relate to each other.

Delivering Good Governance in local Government.

Guidance for delivering good Governance is available from a number of sources. Whilst the guidance is largely comparable, to remove any ambiguity, Croydon Council will embed and deliver good Governance based on these 7 principles;

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the 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 optimize the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust control and strong public financial management.
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Principle A

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

Croydon Council is accountable not only for how much we spend, but also for our methods used when using the resources we are entrusted with. In addition we have an overarching mission to serve the public interest, in adhering to the requirements of Legislation and Government policies.

Council officers may be involved with interpreting laws; such activities demand a high standard of conduct that prevents these roles being bought into disrepute. We should at all times demonstrate a strong commitment to the rule of law as well as ensuring we are compliant to such laws.

It is essential that Croydon Council demonstrates the integrity of all our actions and that we have the appropriate mechanisms in place to encourage and enforce a strong commitment to ethical values and Legal compliance throughout the Council.

Behaving with integrity.

- Croydon provides a **Members Code of Conduct** and **Staff Code of Conduct**. These detail the requirements on members and Staff alike by detailing the principles that govern all.
- At Croydon Council, the **Constitution**, sets out a clear statement of the respective roles and responsibilities of the Cabinet and Cabinet Members individually and collectively whilst defining the organisation's approach putting this into practice.
- The Council publishes a **Pay Policy Statement** which sets out the terms and conditions for remuneration of officers.
- A detailed structure of Croydon Council's Chief Officers is located on the **Council Leadership Team** page of the Council's website. Details of their roles are shown in their business service plans.
- The Council demonstrates integrity by producing and applying the **Anti-Fraud and Corruption Policy**.

Demonstrating strong commitment to ethical values.

- A key objective of the Council's **Workforce Strategy** is to develop a succession planning framework to ensure that the Council attracts and retains talented staff.
- Croydon Council has an agreed set of **5 Corporate Values** which all staff and members are expected to adhere to. Croydon has also adopted the Seven Principles of Public Life (**the Nolan Principles**).
- Croydon Council has a **Commitment to Equality** detailing our expectations of all colleagues, members and relevant 3rd parties.

Respecting the rule of law.

- Croydon Council's **Scheme of Financial Delegation** lays out the responsibility and accountability of officers for financial matters. The Council also delegates non-financial decisions through a series of schemes of delegation and management.
- Croydon Council has a set of **Financial Regulations** and **Financial Procedures** to help ensure that the authority operates within a prudential financial framework.
- The roles of the Head of Paid Services, Section 151 Officer and Monitoring Officer are clearly defined within the Constitution.
- Croydon has a professionally qualified **Chief Financial Officer (CFO)**, whose core responsibilities include those set out in the CIPFA's Statement on the Role of the

CFO in Local Government. The **CFO** reports directly to the Chief Executive and is a member of the Executive Leadership Team.

- The **CFO** is responsible for ensuring that budget calculations are robust, reserves adequate and in accordance with CIPFA guidance. The **CFO** also has a line of professional accountability for finance staff within the Council and is responsible for ensuring that appropriate management accounting systems, functions and controls are in place and kept under regular review.

Principle B

Ensuring openness and comprehensive stakeholder engagement.

Croydon Council operates for the Public good and therefore recognises there is a need for openness surrounding our activities as well as clear channels of communication and engagement with all our stakeholders.

We must demonstrate that we act in the public interest without fail to maintain public trust and confidence, providing clear reasoning's for decision making and ensuring that these are formally recorded for retrospective public scrutiny.

Openness.

- Croydon Council actively publicises the organisation's purpose, vision, objectives and intended outcomes in the **Sustainable Community Strategy 2016-2021**.
- The **Annual Accounts Report** provides the financial backdrop to the past achievements of the Council, future plans and forward strategy. As a result it also provides a platform to promote Croydon's visions and values. As part of this document, the Council publishes its accounts to communicate the authority's activities, achievements, its financial position and performance.
- The Council's **Overview and Scrutiny Committee** produces an annual report on its work.
- Croydon Council has a robust **Equalities Strategy 2016-2020** which sets out the Council's commitment to equality and its aims and objectives. An Equalities Impact Assessment is also completed whenever a decision is required regarding a change to a service which will impact on individuals.

Engaging comprehensively with institutional stakeholders.

- Croydon's **Strategic Partnership** framework is linked into the Sustainable Community strategy.
- Croydon has implemented a **Customer Engagement System** which is designed to ensure the Council undertakes comprehensive consultation with stakeholders.

Engaging with individual citizens and service users effectively.

- The **Council's Constitution** is an example of Croydon Council openly publishing how its affairs are conducted.
- Croydon Council undertakes a **Budget Consultation** exercise each year which gives residents the opportunity to shape the annual budget.
- Croydon Council will conduct Formal **Consultation Arrangements**.
- The Council works to ensure all Corporate communications are readily available to those that require it. Croydon also provides a filter on the Council's website, which can translate information into multiple languages, enlarge text, read information aloud etc. This function Allows Croydon to provide all information held in a variety of ways which will suit our diverse customer base.
- Croydon provides an interpreting and translation service when required.

Principle C

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

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

Defining Outcomes.

- Croydon Council actively publicises the organisation's purpose, vision, objectives and intended outcomes in the **Sustainable Community Strategy 2016-2021**.
- The authority's purpose and vision as stated in the Sustainable Community Strategy has a direct bearing on the Council's Corporate service plans.
- **Departmental Service Plans** provide details on the role that each department has in contributing to the **Sustainable Community Strategy** and the **Corporate Plan**.
- The Council undertakes annual budget challenge sessions as part of the budget setting process. This is linked to departmental objectives and service planning. As part of the budget setting process, the Council undertakes a stakeholder engagement exercise with local residents to establish what tax payer's priorities are.
- The Council has an **Equalities Strategy** which sets out the Council's commitment to equality, its aims and objectives. **An Equalities Impact** Analysis is also completed whenever a decision is taken regarding a change to a service which will impact on individuals.

Sustainable economic, social and environmental benefit.

- The Council facilitates a sense of community involvement by publishing and promoting a long-term vision for Croydon entitled '**We are Croydon**'.
- The **Corporate Complaints Procedure** is set out to allow all complaints to be received, dealt with and learnt from allowing continued improvement for all our customers.
- The Council has a robust **Performance Management System**, allowing the organisation to measure and improve the quality of service provisions and the value for money achieved for tax payers and service.

Principle D

Determining the interventions necessary to optimise the achievements of the intended outcomes.

Croydon will achieve its intended outcomes by providing a mixture of Legal, regulatory and practical interventions.

In order to ascertain the right mix of these courses of action it is imperative Croydon makes strategic choices to ensure intended outcomes are achieved. We will ensure there are robust decision-making mechanisms in place to ensure that defined outcomes can be achieved in a way that provides the best trade-off between the various types of resources inputs while still enabling effective and efficient operations. Decisions will need to be reviewed continually to ensure that achievement of outcomes is optimised.

Determining interventions.

- There is a 20 year **Capital Strategy 2010-2030** which sets out how Croydon will finance, allocate and manage investment in assets efficiently to achieve the vision set out in '**We are Croydon**'.
- The Council's **Corporate Plan** outlines our priorities over a three year period. The Corporate plan revolves around five projects which flow from the shared vision set out in the Community strategy.
- Through the **Council's Constitution** we have set out a clear statement of the respective roles and responsibilities of the Council's Cabinet and the Members individually.
- Croydon Council will conduct Formal **Consultation Arrangements**.

Planning interventions.

- Performance, audit, risk and finance information will be used to identify areas of concern and plan required interventions.
- We have put in place effective arrangements to deal with failure in service delivery and explore options for identifying improvements for our residents.
- Croydon has prepared contingency arrangements including a disaster recovery plan, business continuity plan and arrangements for delivering services during diverse weather conditions.
- Croydon has implemented a **Customer Engagement System** which is designed to ensure we undertake comprehensive consultation with stakeholders.
- Croydon Council undertakes a **Budget Consultation** exercise each year which gives residents the opportunity to shape the annual budget according to their priorities.
- **Departmental Service Plans** provide details on the role that each department has in contributing to the **Sustainable Community Strategy** and the **Corporate Plan**.
- The Council undertakes annual budget challenge sessions as part of the budget setting process. This is linked to departmental objectives and service planning. As part of the budget setting process, the Council undertakes a stakeholder engagement exercise with local residents to establish what tax payers' priorities are.

Optimising achievement of intended outcomes.

- Smart community outcomes underpinned by business plans and outcome focused business activity.
- The **Annual Accounts Report** provides the financial backdrop to the past achievements of the Council and future plans and forward strategy. As a result it also provides a platform to promote Croydon's visions and values. As part of this document, the Council publishes its accounts to communicate the authority's activities, achievements and its financial position and performance.
- The Council's **Overview and Scrutiny Committee** produces an annual report on its work.

Principle E

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

Local Government requires the right structures and Leadership, as well as attaining the right people with the right skills, appropriate qualifications and mind-set, allowing Croydon to operate efficiently and effectively to achieve intended outcomes within specific time periods. Croydon will create opportunities for staff to work effectively and efficiently to achieve the Council's objectives. We strive to provide training and appropriate support to enable staff to develop their skills so they can achieve their full potential.

Because both individuals and the environment in which we operate will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the Leadership of individual staff members. Leadership in Local Government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Developing the entity's capacity.

- The Council's **Workforce Strategy** actively promoted professional development and includes arrangements for talent management to develop skills of the workforce where required and to ensure appropriate career development paths.
- The Workforce Strategy also includes arrangements to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority. The Strategy indicates that 65% - 70% of the workforce comes from the local community.
- The Council's **Appraisal scheme** is used to set stretching objectives for staff that are linked to team, departmental and Corporate objectives. The Appraisal process is also used to assess the skills and competencies needed by staff to enable them to fulfill their roles fully.
- It is mandatory for all new starters to complete the Council **Induction Programme (Inspire)** which has been tailored to meet individual needs.

Developing the capability of the Council's leadership and other individuals.

- There are regular **refresher workshops and bite size training sessions** held for Members and Officers on such subjects as the Financial Regulations, Budget Management, Fraud Awareness, Council Code of Conduct and equalities. Where necessary Members will receive financial training if this falls within the remit of their role.
- Croydon Council has a **Member Development Programme** which ensures Members take control of their own learning and development.
- Croydon has an **Inspiring** 12 month development programme for established managers who lead services, complex projects or strategy and want to develop their Leadership, this programme is endorsed by the Institute of Leadership and Management.
- Croydon has an **Aspiring Management Development Programme** which is targeted towards aspiring managers and team managers who want to develop their leadership capabilities and support career development.
- Croydon offers a **Woman's Leadership Development Programme** which is designed to equip women in challenging future promotion.

Principle F

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

Local Government needs to ensure that the organisation 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 crucial to the achievement of outcomes. Risks should be considered and addresses 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 is in place as a key part of decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery.

Managing risk.

- The **General Purposes & Audit Committee** is the tool for scrutinizing arrangements for embedding the internal control and risk management environment within the organisation. The Committee publishes full reports that are freely available to the public and stakeholders.
- All member meetings, for Cabinet and Committees, have a standing item for **Declarations of Interests** on their agenda. There is a clear process for staff and Members to declare and interests in the course of their work.
- The **Whistle-blowing Policy** displays openness and inclusivity of all members and officers in allowing them to report concerns confidentiality to the Council.
- The **Risk Management Team** is charged with embedding a risk management culture within Croydon Council thereby helping directorates to assess and monitor the risks and opportunities within their working environment. Mechanisms are in place to ensure that the **Corporate Risk Register** and control process are properly monitored and that risk management is properly embedded throughout the organisation.

Managing performance.

- The Council's **Monitoring Officer** is responsible in promoting and developing standards of conduct Council wide.
- Compliance to the Members Code of Conduct is monitored under the direction of the Council's Ethics Committee.
- The standard report template for decision making required approval from legal and Financial Services to ensure that both the Legal and financial implications have been recorded and considered as part of the decision making process.

Robust internal control.

- The **Scrutiny and Overview Committee** is responsible for holding the Executive to account and for helping to develop policy through pre decision scrutiny and scrutiny reviews.
- **Internal Audit** routinely assesses the adequacy of the Council's control environment. This assessment is fed back to Services and Divisions and responded to as required.
- The Council's Governance arrangements give the Chief Financial Officer and the Head of Internal Audit direct access to the General Purposes and Audit Committee and External Audit.

Managing data.

- Croydon's Council has an internal **Information Management Team (IMT)** whose practices are overseen by Croydon's Chief Information Officer, Data Protection Officer and Caldicott Guardian. This team manages and maintains appropriate Policies, Guidance, Security measures etc. ensuring we remain legally compliant.
- Croydon's IMT's **Annual Plan** is reviewed regularly ensuring it complies with any changes to Legislation.
- As part of Croydon's new starter induction there is a mandatory Information Management training course.
- When introducing new processes or amending a current procedure a **Privacy Impact Assessment** must be completed, this will have IMT's oversight.
- Croydon's Information Management Steering Group meets Bi-Monthly to review and discuss any appropriate concerns.
- An Information Management **Annual Report** is provided to our senior managers.
- Croydon uses Office 365. Enterprise Online protection will filter for Malware and SPAM. Microsoft Windows defender is used for all end points.

Strong public financial management.

- The **Contracts and Commissioning Board** provides strategic direction for all procurement and commissioning activities across the Council.
- The Council ensures that it is transparent regarding its expenditure by publishing **all payments over £500 monthly**, and the remuneration details of its Corporate Leadership Team (CLT) in the annual **Statement of Accounts**.
- The **Financial Regulations** and **Financial Procedures** give a clear transparent framework for managing the Council's financial affairs.

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.

Implementing good practice in transparency.

- The **Council's Constitution** openly publishes how its affairs will be conducted.
- The Council demonstrates integrity by upholding and applying the **Anti-Fraud and Corruption Policy**.
- The **Code of Conduct** and **Declaration of Interest Guidance** provide arrangements for members and employees to declare any potential or actual conflicts of interests.
- The **Annual Governance Statement** provides an annual report on the Council's arrangements for financial and internal control as well as managing risk. This is published on the Council's website.

Implement good practices in reporting.

- The **Ethics Committee** is responsible for reviewing the Members Code of Conduct and allows Members to raise issues around Governance, conduct and ethics.

- Croydon Council has a set of **Corporate Values**, these undergo regular review and represent both staff and the public's expectations.
- The Council has a **Governance Board** which is responsible for advising on and maintaining the officer governance framework.

Assurances and effective accountability.

- The **Staff Code of Conduct** and the **Members Code of Conduct** define the standards of conduct and personal behavior expected of members and officers.
- The Council has a zero tolerance policy towards bribery and has introduced an **Anti-Bribery Policy** to ensure zero compliance with the Bribery Act. This is supported by detailed **Gifts and Hospitality Guidance** which is available to staff regarding declaring and registering offers of gifts and hospitality.
- The organisation can be seen encouraging openness and honesty within the **Whistle-blowing Procedure**, this allows staff to anonymously raise concerns about malpractice.
- Croydon's Internal Intranet provides a '**Doing the Right Thing**' page which works in line with the Governance training programme aimed at new starters and managers ensuring staff members are aware of the Governance requirements. This website can now be accessed by an icon found on every colleagues desktop for ease.
- **Internal Audit** provides independent assurances to management on the effectiveness of the Council's internal control and governance arrangements.

Conclusion.

This publication demonstrates that Croydon Council conforms in many different ways to the principles of Good Governance. Croydon has strong frameworks in place allowing us to manage and govern vital processes, for example, the Financial Regulations, performance frameworks and partnerships that will provide robust arrangements for monitoring and review.

Due to the ever changing environment the role for Local authorities continues to grow and evolve there will be some challenging decisions that will need to be made. Delivering extensive change and meeting rising local community expectations regarding the quality and responsiveness of services will require innovation on the part of members and Officers. Doing so when authority finances are subject to close scrutiny will be particularly challenging for those responsible in managing the processes.

Croydon Council is an organisation that adheres to the principles of Good Governance. The challenges to come will be met in a way that continues to demonstrate Good Governance is at the very heart of Croydon Council.

As an organisation we will continue to conduct our business in not only the right way, but also in a timely, inclusive, open, honest and accountable way.