

London Borough of Southwark

Code of Corporate Governance

Introduction

1. Corporate governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, honest and accountable manner. It comprises systems and processes, and cultures and values, by which the authority is directed and controlled and through which we account to, engage with and lead our community.
2. Southwark Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the council and ultimately good results.
3. Good governance flows from shared values, culture and behaviour and from systems and structures. This code of corporate governance is a public statement that sets out the framework through which the council meets its commitment to good corporate governance. It is built around seven core principles of good governance, which are:
 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - Managing risk and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Governance Framework

Roles and responsibilities

4. The constitution is the key governing document for the council. It describes how the business of the council is managed, and states the responsibilities of council members and chief officers.
5. All councillors:
 - a) represent their communities and bring their views into the council's decision making process, i.e. become the advocate of and for their communities
 - b) deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances

- c) balance different interests identified within the ward and represent the ward as a whole
 - d) maintain the highest standards of conduct and ethics
 - e) contribute to the good governance of the area and actively encourage community participation and citizen involvement in decision making functions
 - f) sit on council assembly.
6. Council assembly has overall responsibility for directing and controlling the organisation and determines the budget and policy framework of the council.
 7. The council assembly elects a leader for a term of four years. The leader provides leadership to the borough by setting the strategic direction and key priorities of the council and representing the council in the community and in negotiations with regional and national organisations.
 8. The leader appoints any deputy leader and a cabinet of up to nine members, each holding a special portfolio of responsibility, and determines the extent of any delegations to individual cabinet members. The leader may also appoint deputy cabinet members, who may hold responsibility for specific tasks designated by the leader, in consultation with the monitoring officer.
 9. The leader and cabinet are responsible for overseeing the executive functions of the council and only make decisions that are within the budget and policy framework.
 10. The constitution specifies the roles of the statutory officers:
 - the head of paid service – the chief executive – responsible and accountable to the council for all aspects of operational management
 - the section 151 officer (chief financial officer) – strategic director of finance and governance – responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control
 - the monitoring officer – director of law and democracy – responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with
 - The scrutiny officer – head of overview and scrutiny – provides guidance and support to members and officers in relation to the overview and scrutiny committee and its subcommittees.
 11. Operational responsibility for the implementation of policies is delegated to chief officers and heads of services. Chief officers are responsible for compliance with legislation and the council's own policies and procedures, and develop procedures to ensure compliance within their department. Strategic directors further devolve decision making to divisional service managers and business unit managers through departmental schemes of management
 12. The strategic director of finance and governance (s151 officer) produces a scheme of delegation for financial authority and accountability to formally devolve the management of the council's finances within departments to strategic directors.
 13. The roles and responsibilities of all employees are specified in formal job descriptions for each position.
 14. The member and officer protocol ensures that effective communication and a constructive working relationship exists between members and officers in their respective roles.
 15. The corporate governance panel continually reviews the council's governance

arrangements in light of the changing needs of the borough and changes in legislation.

16. The constitutional steering panel reviews the constitution at least annually and proposes any changes to the council assembly for approval.

Strategy and Planning

17. The cabinet develops and promotes a vision for Southwark articulated through the council plan (or equivalent), which will be regularly reviewed and updated according to changing statutory requirements, the evolving social and economic situation, analyses of needs and the performance of the council against its priorities.
18. The council's vision makes clear to all members, staff and the community, to whom we are accountable and for what. It is clearly communicated on the council website, making it universally accessible to residents, service users and key stakeholders.
19. The council places equality and diversity at the heart of its vision, which is described in "Southwark Council's approach to equality: delivering a fairer future for all". The council recognises the disadvantage experienced by some communities and individuals and will evaluate the differential impact of our services and policies to ensure that everyone has the opportunity to thrive and achieve their maximum potential.
20. The council consults with stakeholders in all areas of its business. It welcomes the public's and community's views as part of the constitutional process. The ways within the council for these views to be considered are through consultation processes, attendance at local meetings (e.g. community council meetings) or contact with a local ward councillor. Trades unions are consulted on issues that affect council staff.
21. Southwark has community councils, which provide a forum for consultation with local people and an opportunity for residents to influence how council services are delivered.
22. The council plan describes in detail how we intend to achieve our vision. It defines specific measures through which we will assess the achievements against our priorities.
23. The council plan is developed alongside the medium term resources strategy (MTRS), which combines strategies for finance, procurement, information technology, assets, workforce and the council's relationship with the voluntary sector.
24. Service planning and individual officer work planning are developed from the council plan, with appropriate performance targets agreed at every level.
25. Detailed budgets are aligned to corresponding plans following a robust budget challenge process, which challenges managers to demonstrate efficiency, value for money and achievement of council plan outcomes.

Performance Management

26. The council continually monitors and reviews progress against targets in the council plan throughout the year and reports on these at the year end.
27. The leader, with the cabinet member for finance, modernisation and performance, holds each portfolio holder to account, including discussion and review on a quarterly basis of performance issues within their portfolio. The reviews monitor progress against portfolio targets as agreed through the council plan annually and include discussion of outcomes being delivered, any risks in achievability as well as celebrating success.

28. Regular briefings take place between chief officers, other senior officers and the relevant cabinet member on the totality of portfolio business. These inform, and are informed by, outcomes from the quarterly review process with the leader. Outcomes are reported as part of the annual and other such relevant reports.
29. Departmental level performance is monitored at senior management team (SMT) meetings, with this process cascaded through business units to individual work plans as appropriate.
30. The council monitors feedback from our residents and service users with satisfaction surveys undertaken of residents and service users. These inform future performance and budget planning as appropriate.
31. A complete programme of learning and development is available to officers and members. Senior officers are also expected to keep abreast of developments in their profession.
32. The performance management process helps to identify learning and development needs, which are translated into personal development plans for staff. Members are also offered development opportunities, in line with their own personal development plans.

Managing risk

33. Both council assembly and cabinet meetings are normally open to the public, unless matters are discussed which must be kept confidential for a specific reason. A forward plan of forthcoming key decisions is published on the council's website.
34. Members making decisions are supported by appropriate systems to help ensure that decisions are implemented and that resources are used legally and efficiently. The council provides robust corporate and departmental support to members in policy and decision making, with a reporting framework that helps ensure that members are presented with the appropriate information to make decisions, including the key issues for consideration, reference to relevant sustainability considerations, a community impact statement, and advice on financial and legal implications. All member level decisions are made on the basis of reports and are formally recorded.
35. All decisions of the council are made in accordance with the following principles:
 - the link between strategy and implementation must be maintained
 - decision making generally, whether by individual officers, individual cabinet members or the cabinet collectively, should have reference to the policy framework
 - respect for human rights, law and probity
 - due consultation and the taking of professional advice from officers
 - proportionality (i.e. the action must be proportionate to the desired outcome)
 - a presumption in favour of openness
 - clarity of aims and desired outcomes.
36. The monitoring officer ensures that all decisions made are legal and supports the audit, governance and standards committee in promoting high standards of conduct amongst members.
37. The overview and scrutiny committee and its subcommittees scrutinise decisions made by the cabinet, and those delegated to officers, and review services provided by the council and its partners. The scrutiny officer promotes and supports the council's scrutiny functions.

38. The council maintains an audit, governance and standards committee, which is responsible for monitoring the effective development and operation of corporate governance in the council. It provides independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment, the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, oversight of the financial reporting process and scrutiny of the treasury management strategy and policies.
39. The council's risk management strategy ensures proper management of the risks to the achievement of the council's priorities. All departments have departmental risk champions and the strategic director of finance and governance is the corporate risk champion.
40. All departments, divisions and business units have risk registers and all risks are allocated an owner. Risks are identified at least annually and reviewed at least quarterly by each department.
41. Decision making reports require consideration of risk in terms of current and potential risks over the medium term, including how they will be managed and mitigated.
42. The strategic director of finance and governance provides financial regulations, and detailed finance protocols, procedures, guidance and finance training for managers and staff.
43. Strategic directors maintain an adequate framework of internal controls (e.g. authorisation, reconciliations, separation of duties, etc) within their departments.
44. The council maintains an internal audit service, which provides assurance on the adequacy of the council's internal control and risk management framework.
45. The strategic director of finance and governance, as the council's senior information risk owner, ensures that effective arrangements are in place to manage and share data appropriately.
46. The council is committed to fighting fraud and corruption, whether attempted from inside or outside the authority, and takes appropriate action against the perpetrators. The council maintains an anti-fraud strategy and fraud response plan, supported by fraud awareness training and professional fraud investigations to promote an anti-fraud culture in the organisation.
47. The council maintains a whistleblowing policy to encourage members, staff, contractors and agents to report any instances of suspected unlawful conduct, financial malpractice, or actions that are dangerous to the public or environment. The policy and procedures are published on the council's website and intranet and provide avenues to raise concerns and receive appropriate feedback. Whistleblowers are protected as far as is possible from any reprisals or victimisation if they make the disclosure in an appropriate manner and in good faith. All concerns raised under the whistleblowing policy are recorded by the monitoring officer.
48. Partnership working is governed by agreements, protocols or memoranda of understanding relevant to the type of work or relationship involved. The monitoring officer ensures that all partnership agreements are fit for purpose and the council's interests are protected.
49. Decisions on service delivery options and contract awards are subject to challenge by senior management teams and by departmental and corporate contract review boards.

Transparency and Accountability

50. The council expects the highest standards of conduct and personal behaviour from

members and staff. These standards are defined and communicated through codes of conduct, which are communicated to members and staff through the council's intranet and as part of induction training.

51. The Localism Act 2011 makes it a duty to promote and maintain high standards of conduct by members of the authority. The council maintains an effective audit, governance and standards committee, which maintains high standards of conduct among elected members and investigates complaints against those who have contravened the code of conduct. It considers reports and advice from the monitoring officer on unlawful expenditure, probity issues, and issues raised under the whistleblowing policy.
52. Both councillors and senior officers make declarations of interests and register gifts and hospitality. The monitoring officer maintains a register of interest for members and makes it available for public inspection.
53. All council meetings are held in public unless there are specific reasons for confidentiality. Meeting agendas are published on the council website in advance of meetings.
54. A forward plan of forthcoming key decisions is published on the council's website and all formal decisions are documented and are based upon a written report recording the criteria, rationale and considerations on which the decisions are based. Decision reports include professional legal and financial advice, and reports for member decisions are published on the council's website at least five days before the decision is to be taken.
55. Minutes of meetings and details of decisions taken are published on the council's website.
56. The council's overview and scrutiny committee and its subcommittees undertake scrutiny of the executive function in a number of ways:
 - reviews into individual topics
 - "call in" – scrutiny of decisions of the cabinet before they are implemented
 - consideration of matters brought forward by individual councillors
 - call to account of officers on receipt of a petition of 500 or more signatures.
57. The council maintains a corporate complaints policy in line with Ombudsman guidelines and good practice, which is available on the council's website. The council uses the information gained from complaints to help drive forward improvements and to respond positively to customers' needs and expectations. All lessons learned and service improvements brought about from complaints will be reported through departmental senior management teams.
58. The council publishes on the website an annual report, which provides full analysis of our achievements, activities and performance for the year.
59. The council's financial performance is reported in the annual statement of accounts.
60. In line with its commitment to being an open, accountable and transparent authority, the council publishes a range of information on its website. This includes data on spending; grants to voluntary, community and social enterprise organisations; procurement; land and building assets; social housing asset data; organisational structure and salary details; trade union facility time; parking account and parking spaces and counter fraud work.
61. The council's auditors provide assurance on the council's arrangements for achieving value for money.