Bristol City Council

Local Code of

Corporate Governance

March 2021

Bristol City Council

Corporate Governance

1. What is Corporate Governance?

Governance comprises the arrangements put in place to ensure the intended outcomes for stakeholders are defined and achieved. It is about how the Council ensures it is doing the right things, in the right way, that is open, honest, accountable, and demonstrates integrity.

Corporate Governance is aimed at achieving the highest standards in a measured and proportionate way, to ensure:

- Resources are directed in accordance with agreed policy and according to priorities
- There is sound and inclusive decision making
- There is clear accountability or the use of those resources in order to achieve desired outcomes for service users and communities

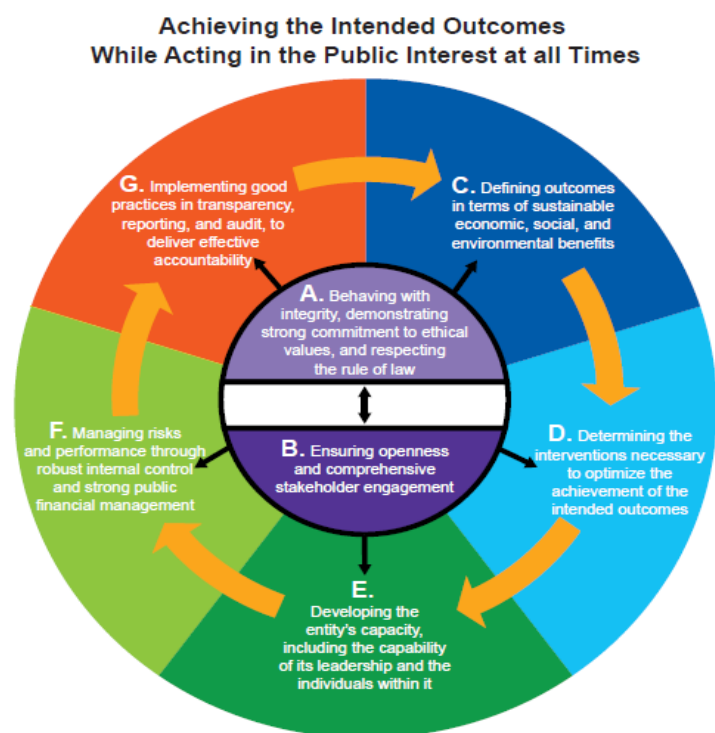## 2. What is the purpose of the Code of Corporate Governance?

The Code of Corporate Governance ("the Code") is intended to support political and officer leadership with developing and maintaining robust governance arrangements across the whole governance system including partnerships, shared services and alternative delivery vehicles.

3. What is the Code based upon?

The Code is based on Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), which is a best practice framework for developing and maintaining a locally adopted code of governance. The framework consists of seven core principles:

- Behaving with Integrity
- Ensuring Openness
- Defining Outcomes
- Determining effective interventions
- Developing Capacity
- Managing Risks and Performance
- Transparency and Effective Accountability

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

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

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

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

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

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

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

B. Ensuring openness and comprehensive stakeholder engagement

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

Full details of the seven principles and the respective sub-principles, together with the actions and behaviours that can demonstrate compliance is provided at Appendix 1 with extensive details of how the Council complies provided.

4. How does Bristol ensure good governance?

The Council's approach to governance takes account of the environment in which it now operates. The Council's aim is to ensure resources are directed in accordance with agreed policy and priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

All Members have an important role to play in representing their constituents, as well as acting together as the Council. **Officers** serve the Council as a corporate body rather than any political group, combination of groups, or individual member.

Members and Officers should work in an atmosphere of mutual trust and respect. Members determine the Council's policies and Officers are responsible for implementing decisions taken by the Council, Mayor, Cabinet and / or the appropriate committee as well as taking decisions delegated to them under the Scheme of Delegation. Scrutiny Commissions review and scrutinise the Council's performance. They cannot start or stop executive action, but can challenge reasonably, holding members and officers to account.

In discharging these duties all parties should act in an open, honest and transparent manner.

The Council seeks to ensure the highest standards are met and governance arrangements are not only sound, but are seen to be sound.

Legislation requires that certain functions be exercised by a 'proper officer'. The functions of the Head of Paid Service, Chief Finance Officer (section 151) and Monitoring Officer are outlined in the Council's Constitution.

Key Committees & Boards used for oversight of governance

Scrutiny Commissions:

- **Overview & Scrutiny Management Board**
- **People, Communities, G&R and Resources Scrutiny Commissions**
- **Scrutiny Task and Finish Groups**
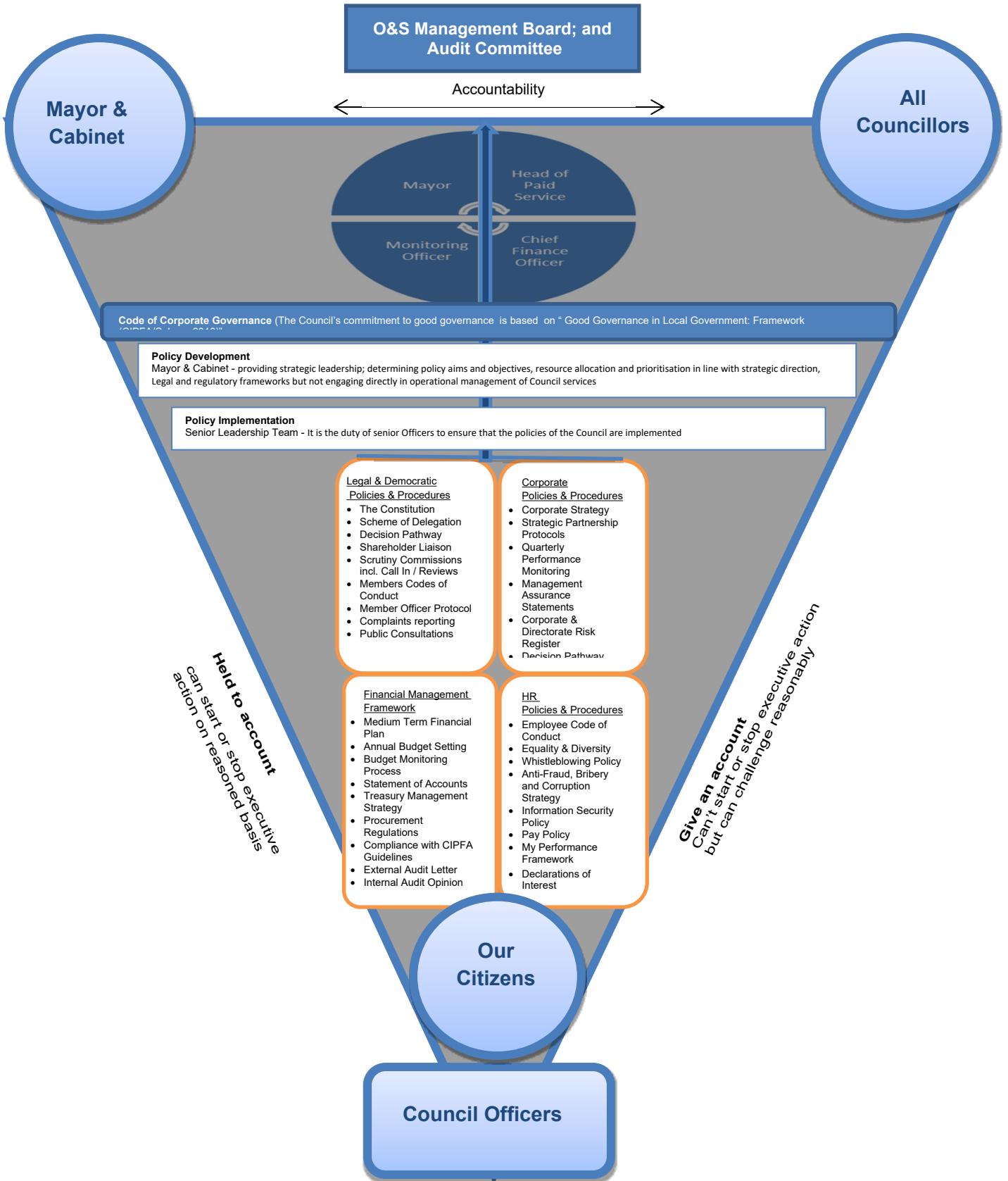
 Other Committees:
Audit
HR

Regulatory Committees:

- **Development Control**
- **Licensing**
- **Public Rights of Way & Green**
- **Public Safety & Protection**

Partnership Boards:

- **One City**
- **Bristol Homes**
- **Health & Wellbeing**
- **Learning City**
- **Children's and Adult's Safeguarding**

Accountability within the Governance Framework

O&S Management Board; and Audit Committee

Accountability

Mayor & Cabinet

All Councillors

Mayor | Head of Paid Service

Monitoring Officer | Chief Finance Officer

Code of Corporate Governance (The Council's commitment to good governance is based on " Good Governance in Local Government: Framework

Policy Development
Mayor & Cabinet - providing strategic leadership; determining policy aims and objectives, resource allocation and prioritisation in line with strategic direction, Legal and regulatory frameworks but not engaging directly in operational management of Council services

Policy Implementation
Senior Leadership Team - It is the duty of senior Officers to ensure that the policies of the Council are implemented

Legal & Democratic Policies & Procedures
- The Constitution
- Scheme of Delegation
- Decision Pathway
- Shareholder Liaison
- Scrutiny Commissions incl. Call In / Reviews
- Members Codes of Conduct
- Member Officer Protocol
- Complaints reporting
- Public Consultations

Corporate Policies & Procedures
- Corporate Strategy
- Strategic Partnership Protocols
- Quarterly Performance Monitoring
- Management Assurance Statements
- Corporate & Directorate Risk Register
- Decision Pathway

Financial Management Framework
- Medium Term Financial Plan
- Annual Budget Setting
- Budget Monitoring Process
- Statement of Accounts
- Treasury Management Strategy
- Procurement Regulations
- Compliance with CIPFA Guidelines
- External Audit Letter
- Internal Audit Opinion

HR Policies & Procedures
- Employee Code of Conduct
- Equality & Diversity
- Whistleblowing Policy
- Anti-Fraud, Bribery and Corruption Strategy
- Information Security Policy
- Pay Policy
- My Performance Framework
- Declarations of Interest

Held to account
can start or stop executive
action on reasoned basis

Give an account
Can't start or stop executive action
but can challenge reasonably

Our Citizens

Council Officers

NB: Please note that this is not an exhaustive list of policies or accountabilities for the Council e.g. Safeguarding and other statutory and regulatory responsibilities are not covered by this framework

Governance of Council Owned Companies

For companies wholly owned; the Council will need to have regard to the accountability and governance framework in place for the company which reflect the commercial environment within which they operate and as a minimum should include and ensure compliance with the following:

- Local authority members and officers should be aware of potential conflicts of interest when carrying out their roles for their authorities, or when acting as directors of trading companies.
- The business plan should be delivered in full compliance with the governance requirements set out by the Council and progress against them should monitored internally and reported to the Council through the client management team and the shareholder function.
- The authority will have to consider how to balance the need to assist the company to achieve its trading objectives with the principles of transparency, accountability and probity.
- The company should establish and maintain an effective service and financial performance management reporting system which will include effective reports to the Board and the Council's Shareholder Group.
- The companies should produce their own accounts which are subject to an independent external audit, and where the activity is deemed material support be consolidated into the Council's accounts.
- An assurance statement based on the model completed by Council officers should be completed on behalf of each company to provide assurance that governance arrangements are sound.
- The Companies should have an Audit Committee in place, with agreed mechanisms to provide assurance to the Council's Audit Committee (at least annually) that appropriate arrangements are in place to manage risks and ensure the effectiveness of the company's internal control environment.

5. How are Corporate Governance arrangements monitored and reported?

The extent to which the governance arrangements are in place and effective is considered as part of the authority's annual governance statement.

The review of governance arrangements will be reported to the Audit Committee and externally with the published accounts of the authority, to provide assurance that:

- the governance arrangements are adequate and working effectively in practice
- where the reviews of the governance arrangements have revealed significant gaps which will impact on the authority achieving its objectives, action is to be taken to ensure effective governance in future.

6. Who is responsible for maintaining the Code?

Elected members are collectively responsible for the governance of the Council.

To ensure the Code is effectively maintained, we will:

- Update the Code with developments in best practice and leading guidance
- Undertake an annual review of Corporate Governance that incorporates the Assurance Governance Statements

The Audit Committee will have responsibility for providing assurance to Council in respect of:

- The effectiveness of the Council's Corporate Governance arrangements
- The approval of the Annual Governance Statement
- The effectiveness of the Council's financial and non-financial performance

Appendix 1 – THE SEVEN PRINCIPLES ON WHICH THE CODE IS BASED AND HOW BRISTOL COMPLIES

<table>
<tr>
<td colspan="3">Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</td>
<td></td>
</tr>
<tr>
<td>Sub Principle</td>
<td>Actions and behaviours that demonstrate good governance</td>
<td>What we have in place</td>
<td>What we are developing</td>
</tr>
<tr>
<td>Behaving with Integrity</td>
<td>Ensuring 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 organisation
Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
Leading by example and using these standard operating principles or values as a framework for decision making and other actions
Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</td>
<td rowspan="3">Constitution
Code of Conduct for Employees
Code of Conduct for Councillors
Scheme of Delegation / Decision Pathway
Social Value Policy, toolkit and outcomes and measures for use in Commissioning
Declaration of Interest
Register of gifts and hospitality
Equality Diversity and Inclusion Policies
Whistleblowing Policies and Procedures
Anti-Fraud, Bribery and Corruption Policy
Member Officer Protocol
Member induction
The Overview and Scrutiny Commissions / regulatory Committees / Partnership Boards
Financial / Procurement Regulations
Value and Ethics Sub-committee of the Audit Committee</td>
<td rowspan="3">The Council's Constitution is kept under review and proposed changes are reviewed by the Audit Committee before approval by Full Council
We have been developing a comprehensive member induction programme for post May 2021 elections
A work programme for the Value and Ethics Sub-committee with a focus on guidance on ethical issues</td>
</tr>
<tr>
<td>Demonstrating strong commitment to ethical values</td>
<td>Seeking to establish, monitor and maintain the organisation's ethical standards and performance
Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation</td>
</tr>
<tr>
<td>Respecting the rule of law</td>
<td>Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations
Creating 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
Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders
Dealing with breaches of legal and regulatory provisions effectively
Ensuring corruption and misuse of power are dealt with effectively</td>
</tr>
</table>

Principle B - Ensuring openness and comprehensive stakeholder engagement			
Sub Principle	**Actions and behaviours that demonstrate good governance**	**What we have in place**	**What we are developing**
Openness	• Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	• Constitution • Strategic Partnership Protocols • Corporate Strategy • Communications Strategy • Media Relations Protocol • FOI Requests process • Complaints Reporting • Public Consultations • Council website includes published calendar of meetings, agendas. Minutes and key decisions • Published Annual statement of Consolidated Accounts and Annual Governance Statement	• Review of Partnership arrangements / governance to ensure best practice and value for money
Engaging comprehensively with institutional stakeholders	• Effectively engaging 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 • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensuring 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 stakeholders effectively, including	• Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that		

individual citizens and service users	service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Taking account of the interests of future generations of tax payers and service users	

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits			
Sub Principle	**Actions and behaviours that demonstrate good governance**	**What we have in place**	**What we are developing**
Defining outcomes	• Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to the achievement of outcomes • Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available	• Corporate Strategy • Treasury Management Strategy • Public Consultations • Medium Term Financial Plan • Annual Budget Setting • Robust process for Business Cases and programme management • Annual business planning cycle, including equality action planning • Capital Investment Board	• Capital Programme governance • Strategic partnering arrangements for capital projects are being implemented • Review of HRA 30-year business plan, housing delivery and estate regeneration strategies
Sustainable economic, social and environmental benefits	• Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints • Determining 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 • Ensuring fair access to services, taking full account of the access needs of disabled and vulnerable people.		

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes			
Sub Principle	**Actions and behaviours that demonstrate good governance**	**What we have in place**	**What we are developing**
Determining interventions	• Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided • Considering 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	• Decision Pathway • Risk Management Policy • Public Consultations • Quarterly Performance Monitoring • Management Assurance Statements • Corporate and Directorate Risk Registers • Monthly Budget Monitoring Process • Robust process for Business Cases • Scrutiny over the management of risk of delivery of savings via the Delivery Executive and more robust budget monitoring arrangements.	• Review of the Decision Pathway to improve the simplification of reporting and decision making • Capital Governance to be reviewed and enhanced. • Embedding Risk Management arrangements
Planning interventions	• Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets • Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered • Considering and monitoring risks facing each partner when working collaboratively including shared risks • Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances		

	• Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured • Ensuring capacity exists to generate the information required to review service quality regularly • Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan • Informing 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	• Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensuring 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 • Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community…over and above the direct purchasing of goods, services and outcomes"

Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it			
Sub Principle	**Actions and behaviours that demonstrate good governance**	**What we have in place**	**What we are developing**
Developing the entity's capacity	• Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• Constitution • Strategic Partnership Protocols • Member induction • Staff Performance Management and Development / My Performance Framework • Continuing Professional Development and Learning and Development Programmes • Peer reviews / Response to External Governance Review • Organisational values, behaviours and leadership framework • Corporate induction – including code of conduct, vision and values	• Member Development Programme for implementation post May 2021 elections • Development of talent management process and policies • Diverse Voices Leadership Programme • A programme of support and targeted interventions to maintain a healthy workforce
Developing the capability of the entity's leadership and other individuals	• Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority 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 • Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:		

- ensuring members and staff 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 officers 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 - identifying and developing talent within the Council's workforce - developing succession planning. • Ensuring that there are structures in place to encourage public participation • Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections • Holding staff to account through regular performance reviews which take account of training or development needs • Ensuring 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 Principle	**Actions and behaviours that demonstrate good governance**	**What we have in place**	**What we are developing**
Managing risk	• Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated	• Constitution • Risk Management Policy • Information Security Policy • Treasury Management Strategy • Anti-Fraud, Bribery and Corruption Strategy • Corporate and Directorate Risk Register • Quarterly Performance Monitoring • Management Assurance Statements • Annual Budget Setting • Monthly Budget Monitoring Process • Medium Term Financial Plan • Financial / Procurement Regulations	• Implementation of an Information Security Management System, compliant with ISO27001 • Embedding data protection • Implementation of Value for Money recommendations from external auditors • Governance review of Council companies • Implementation of a new case management system for risk management
Managing performance	• Monitoring service delivery effectively including planning, specification, execution and independent post implementation review • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system: Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making) • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement		

	• Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)
Robust internal control	• Aligning the risk management strategy and policies on internal control with achieving the objectives • Evaluating and monitoring the authority's risk management and internal control on a regular basis • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: - *provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment* - *that its recommendations are listened to and acted upon*
Managing data	• Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring
Strong public financial management	• Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensuring 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 effective accountability			
Sub Principle	**Actions and behaviours that demonstrate good governance**	**What we have in place**	**What we are developing**
Implementing good practice in transparency	• Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	• Website • Public Consultations • Audit Committee • HR Committee • Peer / External Reviews • Internal Audit Opinion • External Audit Letter • Medium Term Financial Plan • Statement of Accounts	• Implementing the VFM recommendations arising from 2019/20 external audit of accounts • Implementing the recommendations from the VFM review of the Council's companies • Audit Committee effectiveness review • Working with the Centre for Public Scrutiny and Governance to enhance scrutiny procedures, including policy development through working groups
Implementing good practices in reporting	• Reporting at least annually on performance, value for money and the stewardship of its resources • Ensuring members and senior management own the results • Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement) • Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate • Ensuring 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	• Ensuring that recommendations for corrective action made by external audit are acted upon		

- Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon - Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations - Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement - Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	