

LONDON BOROUGH OF SUTTON
CODE OF CORPORATE GOVERNANCE 2020/21

INTRODUCTION

The London Borough of Sutton is committed to demonstrating the highest standards in Corporate Governance.

Good governance leads to good management, good performance, and good stewardship of public funds, robust decision making, and effective use of resources, good public engagement and ultimately good outcomes for our residents and service users.

The Council's Code of Corporate Governance ("the Code") consists of a range of documents, policies, procedures, cultures and values and provides a framework through which the business of the Council is directed and controlled. The Code underpins the aim of achieving good governance.

CORPORATE GOVERNANCE FRAMEWORK

The corporate governance framework is consistent with the principles of the CIPFA/SOLACE best practice framework *Delivering Good Governance in Local Government 2016*. The Code reflects the following seven core governance principles and sets out how the Council demonstrates its commitment to these:

- A. Behaving with integrity, demonstrating a 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 optimise 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 internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

A governance review is carried out annually to ensure that the Council is complying with the Code and to identify any areas where the governance arrangements can be improved. The outcome of this review is reported in the Annual Governance Statement.

<p>CODE OF GOVERNANCE PRINCIPLE A</p> <p>Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law.</p> <p>The core principle is underpinned by three supporting principles:</p> <ul style="list-style-type: none"> - Behaving with integrity - Demonstrating strong commitment to ethical values - Respecting the rule of the law 	
<p>Maintains a comprehensive and up to date Constitution with clearly defined roles and responsibilities for Members and officers.</p>	<ul style="list-style-type: none"> ● Constitution sets out role and responsibilities and is frequently updated
<p>Ensures that Members and officers behave with integrity and reinforce the tone of the organisation by creating a climate of openness, support and respect.</p>	<ul style="list-style-type: none"> ● Member Code of Conduct and procedures for breaches ● Employee Code of Conduct and procedures for breaches ● Induction and ongoing training for Members ● Staff training available through iTrent
<p>Defines the professional behaviour expected by elected Members and officers.</p>	<ul style="list-style-type: none"> ● Member Code of Conduct ● Employee Code of Conduct ● Officer / Member Protocol ● Training to Members on Ethics
<p>Puts in place arrangements to ensure that conflicts of interest are declared and if necessary, the Member/officer does not participate in decision making.</p>	<ul style="list-style-type: none"> ● Member Code of Conduct ● Employee Code of Conduct ● Registers of Interests for Members ● Declaration of Interests for officers ● Register of Gifts and Hospitality for Members and officers ● Declaration of Interests is a standard agenda item at the start of each committee meeting

<p>Develops and maintains shared professional values for the organisation and communicates these with Members, officers, the community and partners.</p>	<ul style="list-style-type: none"> ● Corporate Plan - Ambitious for Sutton 2018-2023
<p>Maintains an effective Audit and Governance Committee which acts as the main means to raise awareness and takes the lead in ensuring that high standards of conduct are firmly embedded within the local culture.</p>	<ul style="list-style-type: none"> ● Audit and Governance Committee ● Training for Members of A&G Committee ● Training on Ethics 2018
<p>Has in place effective arrangements to enable officers and others to identify any potential wrongdoing and to protect officers should they raise areas of concern.</p>	<ul style="list-style-type: none"> ● Whistleblowing policy 2020 ● Mechanisms for reporting fraud and corruption ● On-line fraud awareness training for officers ● Anti-Fraud and Corruption Strategy (October 2019) ● Ad-hoc fraud training in targeted areas
<p>Ensure that professional advice on matters that have legal or financial implications is available in advance of decision making.</p>	<ul style="list-style-type: none"> ● Where decisions have legal implications, reports have to go to legal at draft and final stage for comment ● Where decisions have financial implications, reports go through the S151 officer and/or delegated representatives for comments prior to going to Committee
<p>Ensure that all officers and Members are appropriately trained on specific legislative and other requirements for their service/portfolio areas.</p>	<ul style="list-style-type: none"> ● Appraisal process ● Officer and Member Development Programme ● Officer and Member induction
<p>Has a scheme of delegated and reserved powers within the Constitution to ensure that decisions are taken at the right level.</p>	<ul style="list-style-type: none"> ● Scheme of Delegation ● Constitution ● Officer delegations
<p>Maintain up to date financial procedures, rules and contract standing orders.</p>	<ul style="list-style-type: none"> ● Contract Standing Orders ● Financial Regulations

<p>CODE OF GOVERNANCE PRINCIPLE B</p> <p>Ensuring openness and comprehensive stakeholder engagement</p> <p>The core principle is underpinned by three supporting principles:</p> <ul style="list-style-type: none"> - Openness - Engaging comprehensively with institutional stakeholders - Engaging with individual citizens and service users effectively 	
<p>Having arrangements to enable the Authority to engage with all sections of the community and other stakeholders effectively with a clear policy on the types of issues that the Council will meaningfully consult upon or engage with a feedback mechanism.</p>	<ul style="list-style-type: none"> ● Constitution ● Consultation Framework, 'An Approach to Engagement' - S&R March 2020 committee ● Online petitions ● Public participation in meetings ● Advisory forums ● Community engagement ● Sutton Local Committees ● Sutton Compact - review of agreement due 2020 ● Safer Sutton Partnership Service (SSPS) ● Strategic partnerships ● Health and Social Care Integration plan
<p>Holding meetings in public unless there are good reasons for confidentiality with extensive opportunities for public participation during the meeting.</p>	<ul style="list-style-type: none"> ● Council, Strategic, Local, other committees and Scrutiny are held in public unless they resolve to exclude the press and public to consider exempt information ● Minutes of committee meetings are available on the website

<p>Maintaining and implementing a clear policy on how staff and their representatives are consulted and involved in decision making</p>	<ul style="list-style-type: none"> ● Council and Employees' Joint Committee ● Sutton Joint Health and Safety Committee
<p>Having a structure of Local Committees that provide opportunities for engagement at a more local level.</p>	<ul style="list-style-type: none"> ● Local Committees ● Neighbourhood Managers ● Sutton Plan
<p>Considering key partners and those institutional stakeholders to whom it is accountable and assessing the effectiveness of the relationships and any changes required.</p>	<ul style="list-style-type: none"> ● Safer Sutton Partnership Service ● Strategic Partnerships ● Health and Wellbeing Board ● Liaison Groups includes outside representatives
<p>Ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure these operate effectively.</p>	<ul style="list-style-type: none"> ● Council's website ● Forward plan of key decisions (Strategic Committees) ● Petition Scheme ● Online petitions ● Equality assessments ● Public participation at Council meetings ● Freedom of Information (FOI) and Subject Access Requests (SARs) ● Whistleblowing Policy 2020 ● Complaints Procedure and reporting ● Open Data page on the internet ● Local Offer

<p>CODE OF GOVERNANCE PRINCIPLE C</p> <p>Defining outcomes in terms of sustainable economic, social and environmental benefits</p> <p>The core principle is underpinned by three supporting principles:</p> <ul style="list-style-type: none"> - Defining outcomes - Sustainable economic, social and environmental benefits - 	
<p>Making a clear statement of the Authority’s purpose and vision and using it as a basis for strategic and service planning, with partners to shape the Corporate Plan and Medium Term Financial Strategy.</p>	<ul style="list-style-type: none"> ● Corporate Plan, “Ambitious for Sutton 2018-2023” ● Medium Term Service and Financial Plan ● Outcome-Based Commissioning reviews (OBCR) ● ● Adults Transformation Programme Oct 2018 -2021 ● Forward Plan (Strategic Committees)
<p>When working in partnership, ensuring that there is a common vision underpinning the work of the partnership that is understood and agreed by all partners.</p>	<ul style="list-style-type: none"> ● Strategic Partnership ● Health and Wellbeing Board ● Health and Social Care Integration Programme ● Local Safeguarding Children’s Partnership ● Sutton Safeguarding Adults Board
<p>Ensuring that financial planning is integrated with strategic and service planning on a medium to long-term basis, identifying the scope for making efficiencies and engaging stakeholders as appropriate.</p>	<ul style="list-style-type: none"> ● Medium Term Service and Financial Plan(s) ● Outcome-Based Commissioning reviews (OBCR) ● Local Safeguarding Children’s Partnership Board ● Financial planning will be aligned to OBCR going forward ● Commissioning Board
<p>Communicate on a regular basis the Council’s key performance data, achievements and financial position.</p>	<ul style="list-style-type: none"> ● Annual Audit Letter ● Budget reporting to Strategy and Resources Committee on a quarterly basis ● Performance and Financial Report
<p>Ensure that each service area reviews its objectives and priorities on a regular basis.</p>	<ul style="list-style-type: none"> ● Corporate Plan- Ambitious for Sutton 2018-2023 ● Service Plans being developed linked to Corporate Plan ● Appraisal process

	<ul style="list-style-type: none"> • Budget-setting process
Having effective arrangements to deal with failure in service delivery.	<ul style="list-style-type: none"> • Complaints Procedure 2019 • Members Enquiry Procedure - updated 2019 • Performance and Financial reporting to Corporate Management Team established – report on Risk, KPI and Budget • Whistleblowing Policy / Anti-Fraud and Anti Corruption Strategy
<p>Value for Money</p> <p>Setting clear objectives and targets for delivering value for money. Undertaking service reviews and transformation to deliver efficiency savings. This includes working in partnership with other organisations to carry out joint working and initiatives to achieve value for money.</p>	<ul style="list-style-type: none"> • Corporate Plan, “Ambitious for Sutton 2018-2023” • Service plans • Medium Term Financial Plan • Annual Audit Letter • Internal Audit reviews and reports • Performance reporting • Benchmarking • Annual Accounts • Annual Governance Statement

<p>CODE OF GOVERNANCE PRINCIPLE D</p> <p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>The core principle is underpinned by three supporting principles:</p> <ul style="list-style-type: none"> - Determining interventions - Planning interventions - Optimising achievements of intended outcomes 	
<p>Defines and promotes its purpose and vision.</p>	<ul style="list-style-type: none"> • Corporate Plan, “Ambitious for Sutton 2018-2023”
<p>Reviews annually the Council’s purpose and vision ensuring that the medium term financial strategy sets the context for ongoing decisions on service delivery.</p>	<ul style="list-style-type: none"> • Annual review of Corporate Plan • Annual review of Medium Term Service and Financial Plan
<p>Robust financial planning and budget processes with ongoing review by senior officers and Members.</p>	<ul style="list-style-type: none"> • Quarterly reports to Strategy and Resources Committee • Monthly budget-monitoring reports to Directorate Management Teams and CMT.
<p>Communicates and reviews regular key performance data.</p>	<ul style="list-style-type: none"> • Performance and Financial Report established – report on Risk, KPI and Budget
<p>Ensure that the risk management process is properly embedded at all levels of the organisation and risks are considered as part of decision making.</p>	<ul style="list-style-type: none"> • Corporate and Departmental Risk Registers • CMT review of Corporate Risk Register – quarterly • Performance and Financial Reporting • Risk reports to Audit and Governance Committee including specialist risk reports relating to key risks – 6-monthly • Risks included within Committee reports
<p>Ensure that each service area reviews its objectives and priorities on a regular basis.</p>	<ul style="list-style-type: none"> • Service Plans linked to Corporate Plan • Appraisal objectives • Budget setting process

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<p>Has in place effective arrangements to identify and deal with service delivery that falls below expectations.</p>	<ul style="list-style-type: none"> • Complaints Procedure • Contract management • Performance and Risk Board • Whistleblowing Policy (review 2020) • Mechanisms for reporting fraud and corruption
<p>Ensures resilience with respect to business continuity in the event of unforeseen events.</p>	<ul style="list-style-type: none"> • Business Continuity Plans • Information and Communication Technology Contingency plan • Service Contingency plan • Emergency plan - Annual exercises • London Local Authority Standardisation Programme
<p>Considers feedback from residents, service users and staff when making decisions about service improvements or significant changes to services.</p>	<ul style="list-style-type: none"> • Staff conversations • Sutton Plan • Resident Survey 2019 (carried out every 2 years)

<p>CODE OF GOVERNANCE PRINCIPLE E</p> <p>Developing the Council's capacity, including the capability of its leadership and the individuals within it</p> <p>The core principle is underpinned by three supporting principles:</p> <ul style="list-style-type: none"> - Developing the Council's capacity - Developing the capability of the Council's leadership and other individuals 	
<p>Ensuring that the roles and responsibilities of Members and officers are clearly defined and understood.</p>	<ul style="list-style-type: none"> • Constitution • Members and Officers Relationship Protocol • Scheme of Delegation • Internal Scheme of Management • Planning Protocol
<p>Ensuring that Members and officers have the skills, knowledge, experience and resources to perform their roles. Officer and Member development includes identifying and developing leaders of the future.</p>	<ul style="list-style-type: none"> • Member and officer induction • Appraisal process • Officer and Member Development Programme • Member training • Online training on Evolve (including mandatory training)
<p>Sets out how decisions are made, which decisions are reserved for full Council and which decisions are delegated. A scheme of delegation is established which formalises decision making powers and limits.</p>	<ul style="list-style-type: none"> • Constitution • Scheme of Delegation • Internal Scheme of Management • Member and officer training
<p>Makes the Chief Executive responsible and accountable for all aspects of operational management.</p>	<ul style="list-style-type: none"> • Head of Paid Service responsibilities set out within the Articles of the Constitution • Weekly meetings with Leader • Chairs weekly Corporate Leadership Team meetings
<p>Makes the S151 officer responsible 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.</p>	<ul style="list-style-type: none"> • Responsibilities covered in the Council's Constitution and Articles of the Constitution • Regular meetings with External and Internal Audit • Regular meetings with the Committee Chair for Strategy and Resources Committee • All Committee reports with a Financial implication include a comment from the S151 officer or their delegated representative

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<p>Adopts a protocol for relationships between Members and officers which ensures proper and effective relationships.</p>	<ul style="list-style-type: none"> • Constitution • Protocol between Members and Officers • Member Code of Conduct • Staff and Member induction
<p>Makes the Monitoring Officer responsible for the Council's Constitution and for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</p>	<ul style="list-style-type: none"> • Monitoring Officer responsibilities included in the Constitution and Articles of the Constitution • All Committee reports with legal implications include a comment from the Monitoring Officer or their delegated representative
<p>Sets out the terms and conditions for remuneration of both Members and officers.</p>	<ul style="list-style-type: none"> • Pay Policy • Members' Allowance Scheme • Terms and Conditions
<p>Ensures that there are robust arrangements for engaging with staff.</p>	<ul style="list-style-type: none"> • Engagement Events • Staff Consultative Group • Review of organisational and development strategy which will include refreshed values and behaviours – will be engagement with staff and Members

<p>CODE OF GOVERNANCE PRINCIPLE F</p> <p>Managing risks and performance through robust internal control and strong public financial management</p> <p>The core principle is underpinned by three supporting principles:</p> <ul style="list-style-type: none"> - Managing risks - Managing performance - Robust internal control - Managing data - Strong public financial management 	
<p>Performance and Risk regularly reviews and reports on performance.</p>	<ul style="list-style-type: none"> ● Performance and Risk Report – report on risk, KPI and budget to CMT.
<p>Maintains an effective internal audit service.</p>	<ul style="list-style-type: none"> ● South West London Audit Partnership ● Annual Internal Audit report ● Annual risk-based audit plan ● Annual Governance Statement ● Annual assessment of Internal Audit against the Public Sector Internal Audit Standards (PSIAS)
<p>Maintains an effective Audit and Governance Committee.</p>	<ul style="list-style-type: none"> ● Audit and Governance Committee (A & G) ● Training for Members ● Independent Members
<p>Ensures that an effective and accessible complaints procedure is in place.</p>	<ul style="list-style-type: none"> ● Complaints Procedure ● Reports to CMT ● Reported to Strategy and Resources Committee (quarterly performance report)
<p>Maintains effective arrangements for recording decisions.</p>	<ul style="list-style-type: none"> ● Forward Plan of decisions due to go to strategic Committees ● Minutes of Council and Committee meetings ● Records of delegated decisions made by CMT published online
<p>Puts in place arrangements to ensure that decisions are not affected by conflicts of interest.</p>	<ul style="list-style-type: none"> ● Members and Officers Code of Conduct ● Register of Interests for Members and officers ● Declarations of interest at every Committee meeting

	<ul style="list-style-type: none"> • Members and Officer Registers of Gifts and Hospitality
Ensures that the risk management process is properly embedded at all levels of the organisation and risks are considered as part of decision making.	<ul style="list-style-type: none"> • Corporate and Departmental risk registers • CMT review of Corporate Risk Register – quarterly • Performance and Risk Report • Risk reports to Audit and Governance Committee relating to key risks – 6-monthly • Risks included within Committee reports
Ensures that whistleblowing arrangements are in place for employees and those contracting or working in partnership with the authority.	<ul style="list-style-type: none"> • Whistleblowing Policy (review 2020) • Mechanisms for reporting fraud and corruption • Training to HR managers on new policy
Robust financial planning and budget processes with ongoing review by senior officers and Members.	<ul style="list-style-type: none"> • Monthly budget reports to DMT • Quarterly budget reports to Strategy and Resources Committee
Ensures that professional advice on matters that have legal or financial implications is available in advance of decision making.	<ul style="list-style-type: none"> • The Audit and Governance Committee report template includes requirements to detail financial and legal implications
Manages data and information security in accordance with General Data Protection Regulations (GDPR).	<ul style="list-style-type: none"> • Information Security training – mandatory • Information Asset Owners training • Information and Security Governance Board • Data Protection Officer (Statutory officer as per the Articles of the Constitution) • Access to Information Procedure Rules

CODE OF GOVERNANCE PRINCIPLE G	
Implementing good practices in transparency, reporting and audit to deliver effective accountability	
The core principle is underpinned by three supporting principles:	
<ul style="list-style-type: none"> - Implementing good practice in transparency - Implementing good practices in reporting - Assurance and effective accountability 	
Publishes a clear statement on internal control, corporate governance and risk management as part of the Council's Annual Statement of Accounts. This includes an action plan for improvement which is reported on.	<ul style="list-style-type: none"> ● The Annual Governance Statement (AGS) is provided in draft to External Audit by the 31st May and is reported to the Audit and Governance Committee in July ● 6-monthly updates are provided to the Audit and Governance Committee on implementation of the AGS Action Plan.
Communicate on a regular basis the Council's key performance data, achievements and financial position.	<ul style="list-style-type: none"> ● Annual Audit Letter ● Budget reporting to S&R Committee on a quarterly basis ● Performance reporting ● New Council tax leaflet
Maintains an effective Audit and Governance Committee	<ul style="list-style-type: none"> ● Audit and Governance Committee (A & G) ● Periodic independent review of the A & G Committee
Has an effective internal audit service with direct access to Members, providing assurance on governance arrangements and ensuring that recommendations are acted upon.	<ul style="list-style-type: none"> ● South West London Audit Partnership ● Quarterly reports to Audit and Governance Committee ● Head of Internal Audit regularly meets with the Chair/Deputy Chair of the Audit and Governance Committee ● Follow up of internal audit recommendations reported to the Audit and Governance Committee at least twice a year ● Annual Internal Audit report ● Annual risk-based audit plan ● Annual Governance Statement ● Annual assessment of Internal Audit against the Public Sector Internal Audit Standards (PSIAS)

<p>Makes all information public available unless it is exempt by law</p>	<ul style="list-style-type: none"> ● Constitution ● Access to Information Procedure Rules ● Council's website ● FOI and SARs
<p>Ensures that officers are regularly consulted on a wide range of issues.</p>	<ul style="list-style-type: none"> ● Consultation with recognised Trade Unions ● Staff Briefings ● Council intranet
<p>Holds meetings in public unless there are good reasons for confidentiality with extensive opportunities for public participation during the meeting.</p>	<ul style="list-style-type: none"> ● Council, Strategic, Local, and other committees are held in public unless they resolve to exclude the press and public to consider exempt information ● Minutes of Committee meetings are available on the website
<p>Ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure these operate effectively.</p>	<ul style="list-style-type: none"> ● Council's website ● Forward Plan of key decisions (Strategic Committees) ● Public participation at Council meetings ● Freedom of Information (FOI) and Subject Access Requests (SARs) ● Whistleblowing Policy (being refreshed – currently contained within the Employee Code of Conduct) ● Complaints Procedure and reporting
<p>Sets out how decisions are made, which decisions are reserved for full Council and which decisions are delegated. A scheme of delegation is established which formalises decision making powers and limits.</p>	<ul style="list-style-type: none"> ● Constitution ● Scheme of Delegation ● Internal Schemes of Management ● Member and officer training
<p>Makes the Section 151 officer responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records of accounts and for maintaining an effective system of internal financial controls.</p>	<ul style="list-style-type: none"> ● Constitution ● Financial Regulations ● Contract Standing Orders ● Where decisions have financial implications, reports go through the S151 officer and/or delegated representatives for comments prior to going to Committee
<p>Ensuring that information is published in accordance with the Local Government Transparency Code 2015.</p>	<ul style="list-style-type: none"> ● Delegated decisions are published in accordance with the Openness of Local Government Bodies Regulations 2014 ● Publish spend over £500 on Council website

	<ul style="list-style-type: none"> ● Fraud update reports include transparency data ● Sutton Open Data site (website) ● Internal Audit review 2019
<p>Welcomes peer challenge, reviews and inspections from regulatory bodies and implements recommendations.</p>	<ul style="list-style-type: none"> ● The implementation of key recommendations from external inspections are monitored by DMTs and CMT ● Complaints and FOI are included in corporate performance reporting, DMT's receive quarterly reports and CMT receives corporate data.
<p>Ensures that shared service arrangements are clear in relation to governance.</p>	<ul style="list-style-type: none"> ● Shared Service Boards - review of code SSB -Task and Finish Group 2018 review of governance arrangements Council-owned companies ● Code of Practice for Council-Owned Companies - performance against Code to be included in future AGS reviews ● Collaboration agreements <p>There are a number of joint committees including:</p> <ul style="list-style-type: none"> ● South London Joint Committee on Waste Disposal ● South West London and Surrey County Council Joint Health Scrutiny Committee ● Bandon Hill Cemetery Joint Committee
<p>Ensure the Council-owned companies are clear in relation to governance.</p>	<ul style="list-style-type: none"> ● Sutton Shareholders Board (sub-committee of Strategy and Resources) function is to exercise responsibility for the Council's functions as corporate shareholder ● Task group of SSB 2018 - review of governance- recommendations <ul style="list-style-type: none"> - Training for shareholders - Code of Good Practice - Operation of Code and performance in future AGS reviews