



STOCKPORT'S CODE OF GOVERNANCE

2022-23

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1. What is Corporate Governance?

Corporate Governance is the term used to describe “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved” (The International Framework).

The International Framework also states that:

To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times.

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

The Council is required by law to produce a statement each year which describes the outcome of a review of the systems of control (an Annual Governance Statement).

CIPFA and SOLACE have produced guidance on delivering good governance. “Delivering Good Governance in Local Government” was published in 2016. It says “The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government; Framework (2016) would fulfil the statutory requirements for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts.”

This document sets out the principles of good governance identified by CIPFA and SOLACE, and identifies the internal controls that Stockport MBC has developed in order to ensure good governance.

2. The Role of Stockport Metropolitan Borough Council

The role that the Council plays is vitally important to all taxpayers and citizens. The Council has a key role in leading our communities as well as ensuring the delivery of high quality services to the public. The Council recognises that good governance enables the Council to pursue its clear vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

It is crucial that the public can have confidence that elected councillors and appointed officers are carrying out their functions to the highest ethical standards. The Council recognises that good governance strengthens credibility and confidence in our public services and ensures that we meet the needs of our communities.

The Council recognises that good governance ensures that the Council achieves its intended outcomes in an effective, efficient, economic and ethical manner. It is recognised that this principle guides the Council's governance system.

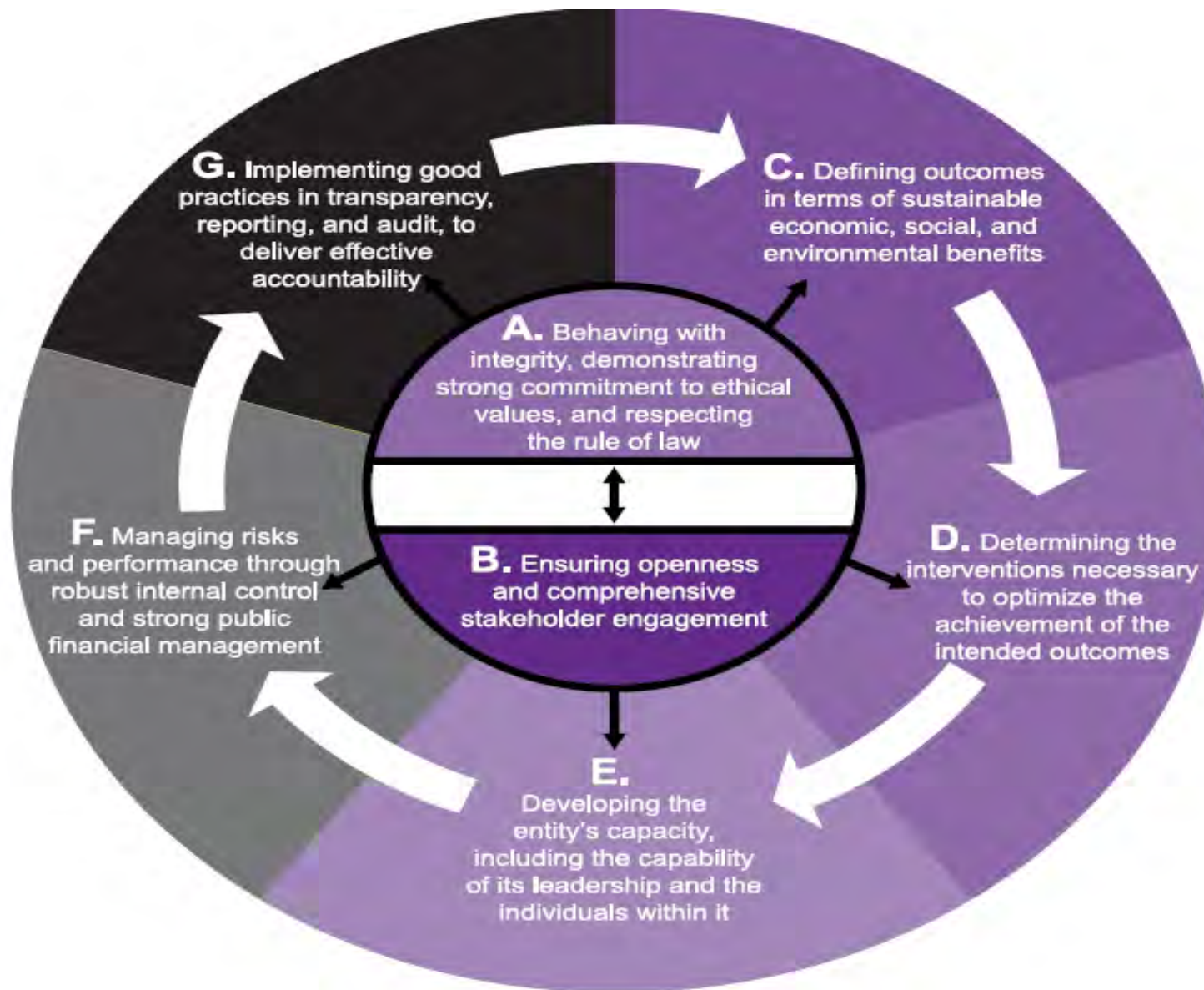
The Council has adopted this Code of Governance to ensure that it has exemplary governance arrangements in place. It is recognised that good governance leads to good management, good performance, and good stewardship of public money, good public engagement and thereby good outcomes for citizens and service users.

3. The Stockport Code of Governance

This code of governance sets out the system in place for ensuring compliance with the seven principles of good governance set out in "Delivering Good Governance in Local Government (2016)".

4. The Seven Core Principles of Good Governance

The diagram reproduced from "Delivering Good Governance in Local Government (2016)" illustrates the seven principles of good governance and how they relate to one another.



5. Demonstrating Compliance with the Core and Supporting Principles

Maintain a local code of corporate governance.

Appendix 1 of this document set out in detail how the Council's local governance arrangements comply with these principles. Following the annual review of corporate governance this document will be updated to ensure it provides an accurate statement of the Council's current position in relation to governance standards.

Review of the Council's Corporate Governance.

The Council will arrange for regular, at least annual, independent reviews of its corporate governance arrangements to be carried out by Internal Audit to ensure continuing compliance with best practice.

Following each review and self-assessment the Council will ensure that an improvement action plan is produced, or an existing one updated.

Report publicly on compliance with governance arrangements in the Annual Governance Statement.

The Council will produce an Annual Governance Statement (AGS). This will accompany the Council's Annual Statement of Accounts. It will state what arrangements the Council has in place to ensure the effectiveness of its governance framework and the degree to which the Council has followed its stated governance principles.

The AGS will also highlight any areas the Council considers to require significant improvement and outline the actions planned to address them.

The annual corporate governance review and self-assessment results will provide sources of assurance used to inform the compilation of the AGS. Other sources of assurance include the risk management and performance & resource management systems, Internal Audit reporting and external inspection regimes.

The Audit Committee and Corporate Governance Group will review the robustness of the AGS. The Chief Executive and the Leader of the Council are required to sign off the AGS.

6. Responsibilities

Every Council officer and member has a responsibility to ensure their personal conduct and the Council's governance arrangements are always of the highest standard possible.

Senior managers have a responsibility for reviewing governance standards in their areas of responsibility annually and for providing documented assurance of their adequacy, and for identifying and implementing any necessary improvement actions. Improvement actions should be reflected in the appropriate business plans.

The Borough Treasurer has a responsibility to ensure that the Council makes arrangements for the proper administration of its financial affairs.

The Monitoring Officer will provide advice on the scope of the powers of the Council and the correct procedure for to make decisions. The Monitoring Officer is responsible for preventing maladministration and unlawful activity on the part of the Council.

The Chief Executive and Leader will ensure that an annual review is completed of corporate governance arrangements and give assurances on their adequacy in the Annual Governance Statement which will accompany the Statement of Accounts.

The Corporate Governance Group and the Audit Committee will ensure that the Code of Corporate Governance is reviewed regularly to reflect on-going developments and planned improvements to the framework and authorise any amendments.

7. Reporting

The annual review of corporate governance will be reported to the Audit Committee. The main points of this review will be summarised in the published Annual Governance Statement, which will be made available on the Council's internet site.

8. Communications and Training

The Corporate Governance Code will be published and accessible to all Council employees and members. Induction training will make reference to corporate governance arrangements. The Corporate Governance Code will be reported publicly to citizen and service users with a copy available on the authority's website. The Annual Governance Statement will be reported publicly, with a copy made available via the website.

9. Considering the impact of Covid-19 on Governance Arrangements

The Council has had to adapt its governance arrangements during 2020/21 as a result of the impact of Covid-19. Broadly these changes have included:

Adaptations to reflect new ways of working and emergency arrangements.

Changes to 'business as usual' activities, including cessation or reduced frequency or scale of activities.

Longer-term changes to priorities, programmes, strategies and plans as a result of the impact of the pandemic on the organisation and the local area.

Inevitably some changes will have been made as a reaction to events and there is likely to be ongoing uncertainty over the longer term impact. The AGS may need to reflect a greater level of fluctuation than usual.

STOCKPORT METROPOLITAN BOROUGH COUNCIL

DELIVERING SOUND GOVERNANCE

CORE PRINCIPLE 1

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

Supporting Principle	How We Demonstrate Compliance
1.1 Behaving with Integrity	➤ We ensure that members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council by Including in the Council's constitution the following: ➤ CP1 Code of Conduct for Councillors and co-opted members. ➤ CP2 Officers Code of Conduct. ➤ CP3 Protocol on Councillor Officer Relations. ➤ Confidential Reporting Policy. ➤ CP9 Code of Conduct for Councillors and Officers Dealing with Planning and Development Matters. ➤ CP14 Monitoring Officer Protocol. We ensure that 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) by:- ➤ Operating the Council's Standard's Committee to provide oversight of the conduct of elected and co-opted members and to keep the Code of Conduct under review. ➤ Adopting the Council's constitution each year at full Council. We demonstrate, communicate and embed the standard operating principles or values through the policies and processes outlined above which are reviewed on a regular basis to ensure that they are operating effectively.
1.2 Demonstrating strong commitment to ethical values	We seek to establish, monitor and maintain the organisation's ethical standards and performance by: ➤ Investigation of complaints. https://www.stockport.gov.uk/topic/compliments-and-complaints

	➤ Corporate Directors maintain lists of gifts hospitality and officer interests. ➤ The Council ensures that it exercises a control similar to that which is exercises over its own Directorates over its wholly owned companies. ➤ the operation of the Standard's Committee. Article 11 - The Standards Committee.pdf (stockport.gov.uk)
1.3 Respecting the rule of law	➤ The Council has appointed a Strategic Head of Service & Monitoring Officer (Legal & Democratic Governance) who has rights of access to all meetings and documents CP11 - Monitoring Officer Protocol.pdf (stockport.gov.uk) ➤ The Corporate Leadership Team consults the Monitoring Officer to ensure that all the Council's decisions accord with the law and with the Council's Constitution. We ensure that officers complete a record of consultation with the Monitoring Officer prior to publication. Cabinet Meeting Summary Sheet ➤ Internal Audit independently and critically evaluates the council's internal control framework and, where necessary, makes recommendations for improvement and the introduction of best practice. Internal Audit has direct access and reporting lines to all senior management including the Chief Executive, Deputy Chief Executive (s151 officer), Monitoring Officer and the Chair of the Audit Committee. Internal Audit formally report on its activity to the Audit Committee, providing an opinion on the overall adequacy and effectiveness of the council's internal control environment. The Internal Audit and Risk Manager presents an annual report to the Audit Committee to inform members of the internal audit activity that has taken place during the year. ➤ The Council's External Auditors are Mazars. They produce an Annual Audit letter which is presented to the Audit Committee and published on the Council's website. The letter communicates key messages to the Council and external stakeholders, including members of the public and is published on the Council's website alongside the Annual Report and Accounts. All issues and recommendations raised in the Audit letter are formally responded to along with a responsible officer and a deadline for completion. ➤ The Service Director Strategy and Commissioning also acts as the Council's Statutory Scrutiny Officer. Their role is to promote the role of the Council's Scrutiny Committees; to provide support to the Council's Scrutiny function and to local councillors; and to provide guidance to members and officers of the council in relation to the Scrutiny functions. Part 4 - Proper Office Appointments.pdf (stockport.gov.uk) ➤ A Complaints Procedure https://www.stockport.gov.uk/topic/compliments-and-complaints is in place to deal with any issue that a member of the public may have regarding a possible failure in service delivery. Both Children's and Adults services have their own specific complaints policies. The council also publishes details of how to make a

	complaint to the Local Government Ombudsman. ➤ The Council keeps a record of all complaints made to the Local Government Ombudsman.
CORE PRINCIPLE 2 Ensuring openness and comprehensive stakeholder engagement	
Supporting Principle	How We Demonstrate Compliance
2.1 Openness	➤ The Council complies with the Local Government Transparency Code 2015. https://www.stockport.gov.uk/transparency/transparency-overview ➤ The Council webcasts its meetings and complies with its obligations under the Local Government Act 1972 to provide access to meetings documents and agendas. http://stockport.public-i.tv/core/portal/home ➤ Since May 2020, all the Council's public meetings have been held online due to Coronavirus restrictions. The public can continue to view these meetings live or retrospectively. This position is currently under review as the relevant legislation expires following the Local Elections on 6th May 2021.
2.2 Engaging comprehensively with other organisations that the Council needs to work with to improve services and outcomes	The Council participates in the following joint committees: ➤ Greater Manchester Combined Authority (GMCA) and associated governance structures ➤ Health and Wellbeing Board. ➤ Transport for Greater Manchester. ➤ STAR. ➤ Greater Manchester Police and Crime Panel. The Council also leads and contributes to a range of strategic partnerships, including; ➤ Safer Stockport Partnership ➤ Stockport Family Partnership Board ➤ Stockport Economic Alliance ➤ Stockport Voluntary, Community, Faith and Social Enterprise (VCFSE) Forum ➤ Stockport Race Equality Partnership ➤ Stockport Cultural Network
2.3 Engaging with individual citizens and service users effectively citizens	➤ The Council operates a system of Area Committees to which the public have access at meetings within their local area.

	➤ The Council maintains local libraries and an accessible contact centre to assist the public to access Council services. https://www.stockport.gov.uk/topic/libraries ➤ Access to local libraries has been restricted since March 2020 due to the pandemic. When permitted to open, a reduced network of 'Covid secure' libraries have operated. ➤ Customers seeking information, advice or guidance have been referred via the Contact Centre, which includes an online 'chat' facility.
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CORE PRINCIPLE 3

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

Supporting Principle	How We Demonstrate Compliance
3.1 Defining outcomes	➤ Our Cabinet reports identify risks and define outcomes in terms of economic, social and environmental well being. Cabinet Meeting Summary Sheet ➤ Stockport Council agrees its corporate priorities at the Council's meeting annually. https://www.stockport.gov.uk/performance/stockport-council-plan ➤ All public services in Stockport are committed to delivering a shared partnership vision for 2030 through the One Stockport Borough Plan. This is focused around three key partnership programmes; • One Heart • One Home • One Future ➤ The One Stockport Borough Plan was adopted at the Annual Council Meeting in February 2021, and continues to provide the focus for engagement with residents, communities and partners to develop delivery plans and an outcomes framework during 2021. ➤ Major regeneration projects around Stockport Town Centre such as Stockport Exchange, Town Centre West (via the Mayoral Development Corporation) and Merseyway are helping to drive economic growth in Stockport. ➤ The devolution of funding, powers and responsibilities to the Greater Manchester Combined Authority provides a huge opportunity to deliver on these ambitious plans for the borough.

	➤ Taking control of NHS health and social care budgets via the GM Health and Social Care Partnership will enable the Council to collaborate with and influence other public services to innovate and address the long-term needs of Stockport's population. Development of an Integrated Care System during 2021 will further ensure a focus on localities in tackling health inequalities and improving health and wellbeing outcomes. ➤ The Council Plan provides a framework for the Council to move towards self-funding over the coming years, balancing investment in growing the local tax base and promoting independence and resilience of local people. ➤ <u>Regular Performance and Resource Reports</u> will continue to be published and considered by the Council's Scrutiny Committees to ensure the Council Plan and Financial Plan are both on track to deliver these outcomes for the people of Stockport. ➤ The council's Risk Management Strategy sets out the council's approach to risk management. A process has been developed as a guide to officers and members to identify, assess and treat current and emerging risks to service objectives. The Strategy and process are reviewed annually. Managing Risk - Stockports Risk Manag ➤ The council has a Corporate Risk Register which is updated on a quarterly basis and monitored by Corporate Leadership Team, Corporate Governance Group and the Audit Committee. Risk registers can be found at the Audit Committee Browse meetings - Audit Committee - Stockport Council
3.2 Sustainable economic, social and environmental benefits	➤ The Council's Budget and Policy Framework underpins our decision making. All Council decisions are required to comply with Council's Budget and Policy Framework. ➤ The Council includes consideration of Social Value in all of its commissioning and procurement. http://www.star-procurement.gov.uk/Suppliers/gmca-social-value-policy.aspx

CORE PRINCIPLE 4

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

Supporting Principle	How We Demonstrate Compliance
4.1 Determining	➤ Our Performance and Resources framework ensures Members and senior leaders receive regular updates through

interventions	Corporate and Portfolio reports which reflect progress in delivering the Council's priorities and spending plans. These are key in identifying any significant issues and to determine targeted interventions required.
4.2 Planning interventions	➤ See above. ➤ Stockport is working to develop the new spatial framework. The Framework which will support the Council to make the most of its towns and neighbourhoods and will identify the land Stockport needs to meet demand for housing and business development. https://www.greatermanchester-ca.gov.uk/info/20081/draft_plan
4.3 Optimizing achievement of intended outcomes	➤ See above. ➤ Social value is embedded into our commissioning/procurement arrangements. ➤ The Council has a comprehensive Business Continuity Plan in place that reduces the risk of business interruption on service delivery. The Corporate Business Continuity Plan sets out the framework through which the Council will respond to serious and widespread disruption to our services, the aim is to maintain our critical services and protect the safety, security and wellbeing of our colleagues, residents, businesses and visitors. ➤ Annually each service completes a Business Impact Assessment and Business Continuity Plan, which outlines how they can continue to deliver their service through any eventuality that impacts on Loss of Accommodation, Loss of Staff, Loss of IT and Failure of Key Suppliers. These plans have been updated to include all new mitigations put in place as a result of Covid.  Corporate BC Plan 2020.doc

CORE PRINCIPLE 5

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

Supporting Principle	How We Demonstrate Compliance
5.1 Developing the entity's capacity	➤ We maintain staff development materials and programmes and publish them via the intranet with the aim of ensuring that the Council has a flexible and skilled workforce that can deliver its services and develop them in the future. ➤ The Council operates a shared procurement service with Trafford, Rochdale and Tameside Councils called STAR Procurement. As a result of this, standard procurement rules and processes have been developed.

	https://www.star-procurement.gov.uk/About-us/Responsible-Procurement-Strategy.aspx ➤ The Council has a constitution in place that sets out how the Council operates, how decisions are made and the procedures that are followed. The Constitution contains details of the respective roles and responsibilities of elected members, named officer roles and all employed by the Council. It also outlines protocols for Member/officer relationships. ➤ The Council Constitution also contains a Code of Conduct for Members. ➤ The Council has a Medium Term Financial Plan which provides a focus on both Revenue expenditure (day-to-day running costs of providing services) and Capital expenditure (long-term investment in infrastructure, like schools and roads), as well as setting out the Council's overall Financial Strategy.  Medium Term Financial Plan  Capital Strategy Finan202122 Main Report ➤ The council engages with the CIPFA Financial Management Code to ensure compliance  Financial Management Code
5.2 Developing the entity's leadership	➤ We provide annual training to elected members and induction for newly-elected members. ➤ The Council has a constitution in place that sets out how the Council operates, how decisions are made and the procedures that are followed. The Constitution contains details of the respective roles and responsibilities of elected members, named officer roles and all employed by the Council. It also outlines protocols for Member/officer relationships. ➤ The Council's governance arrangements are considered by the Corporate Governance Group which consists of senior management within all directorates.
5.3 Developing the capability of individuals within the entity	➤ See above. ➤ A new 'One Team' People Strategy is being launched in 2021 which will set out how the Council will support its workforce to become a more inclusive employer, based on the Values and Behaviours agreed in 2018.

CORE PRINCIPLE 6

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

Supporting Principle	How We Demonstrate Compliance
6.1 Managing risk	➤ The council's Risk Management Strategy sets out the council's approach to risk management.  ➤ A process has been developed as a guide to officers and members to identify, assess and treat current and emerging risks to service objectives (Appendix 1 – page 18 of strategy). The Strategy and process are reviewed annually. ➤ The Audit Committee has responsibility for overseeing the effectiveness of the council's risk management arrangements and will request further information on any areas of concern.  Audit Committee Responsibilities ➤ The council has a Corporate Risk Register which is updated on a quarterly basis and monitored by Corporate Leadership Team, Corporate Governance Group, the Monitoring Officer and the Audit Committee.
6.2 Managing performance	➤ We comply with our Contract Procedure Rules Constitution Part 4 PR6) and Financial Procedure Rules (Constitution Part 4 PR5). These are reviewed regularly.
6.3 Robust internal control	➤ The council's Risk Management Strategy sets out the Council's approach to risk management. A process has been developed as a guide to officers and members to identify, assess and treat current and emerging risks to service objectives. The Strategy and process are reviewed annually. ➤ The council has a Corporate Risk Register which is updated on a quarterly basis and monitored by Corporate Leadership Team, Corporate Governance Group, the Monitoring Officer and the Audit Committee. ➤ The Council has an Anti-Fraud, Corruption and Bribery Policy and a Whistleblowing Policy in place. CP4 - Confidential Reporting Policy Whistleblowing.pdf (stockport.gov.uk)

	➤ These are reviewed on a regular basis. The policies are used to advise officers and members of the council's approach to the serious issues of fraud and corruption. The Council operates a zero tolerance approach to this area. ➤ The annual Internal Audit planning process includes a specific fraud risk assessment to ensure that all current fraud risk areas are considered for inclusion in the Annual Internal Audit Plan. ➤ The Internal Audit and Risk Manager produces an Annual Fraud Report which outlines the key activities and findings from the previous year. http://democracy.stockport.gov.uk/documents/s178231/Anti-Fraud%20Bribery%20and%20Corruption%20Annual%20Report%20201920.pdf ➤ The Audit Committee meets on a regular basis to consider and challenge a range of reports around the internal control, risk and governance environment of the council. Update terms of reference are in place and are reviewed annually. Furthermore, the committee's core functions comply with CIPFA's Audit Committees: Practical Guidance for Local Authorities. Browse meetings - Audit Committee - Stockport Council ➤ The Corporate Governance Group meets prior to every Audit Committee to discuss current internal control, risk and governance issues.
6.4 Managing Data	➤ The council has a dedicated information governance team that has agreed protocols in place for data sharing and protection across the council. http://i.stockport.gov.uk/corporatesupportservices/businesssupport/informationgovernance/dataprotection/dpguidance/?view=Standard ➤ The council has a Data Breach Panel the objective of which is to challenge potential data breaches and ensure that effective controls are put in place to minimise the risk of any reoccurrence.
6.5 Strong public financial management	➤ The Council is committed to being transparent and open about its financial affairs. Details of all council expenditure over £500 are published on the council's website along with all contracts above £500 as part of the LG Transparency Code (see 2.1 above). ➤ The council engages with the CIPFA Financial Management Code to ensure compliance

	➤ Our external auditors produce an Annual Audit Letter which is presented to the Audit Committee and published on the Council's website. This letter highlights key issues and findings from the external audit and is published alongside the Annual Report and Accounts. For all the findings and recommendations made in the Annual Report, a response is made by the Council and a responsible officer assigned to deliver the finding along with a deadline.
CORE PRINCIPLE 7	
Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
Supporting Principle	How We Demonstrate Compliance
7.1 Implementing good practice in transparency	➤ The Council publishes a range of information and data required by the Local Government Transparency Code (see link in 2.1 above). This is supplemented by additional information as set out in the Council's FoI Publication Scheme https://www.stockport.gov.uk/freedom-of-information/council-publication-scheme ➤ All committee meetings are published live via the council webcast service. Since May 2020, all meetings are held online and can continue to be viewed by the public.
7.2 Implementing good practices in reporting	➤ The Council publishes its Annual Report and Statement of Accounts on its website. Budgets and financial monitoring - Stockport Council
7.3 Assurance and effective accountability	➤ External Audit Service – the Council's External Auditors are Mazars. They produce an Audit Completion Certificate which is presented to the Audit Committee and published on the Council's website. Budgets and financial monitoring - Stockport Council ➤ Internal Audit independently and critically evaluates the Council's internal control framework and, where necessary, makes recommendations for improvement and the introduction of best practice. Internal Audit has direct access and reporting lines to all senior management including the Chief Executive, Deputy Chief Executive (s151 officer), Monitoring Officer and the Chair of the Audit Committee. Internal Audit formally report on its activity to the Audit Committee, providing an opinion on the overall adequacy and effectiveness of the Council's internal control environment. The Internal Audit and Risk Manager presents an annual report to the Audit Committee to inform members of the internal audit activity that has taken place during the year. The Audit Committee meets on a quarterly basis to receive reports from both internal and external auditors. The Committee reports its activities via an annual report on the Audit Committee effectiveness.