

**Milton Keynes Council
Code of Corporate Governance**

Introduction

This Code of Corporate Governance has been developed in line with the CIPFA / SOLACE document entitled “Delivering Good Governance in Local Government: Framework 2016 Edition.”

What do we mean by Governance?

‘The International Framework: Good Governance in the Public Sector’ defines ‘governance’ as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

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

The Code of Corporate Governance is based on seven core principles:-

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes
- E. Developing the Council’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

Every Council has its own Code of Corporate Governance, with structures, documents and processes which ensure that the 7 core principles, as set out above, are met. In this Code, Milton Keynes Council describes the structures, processes and documents which are in place in the authority to ensure that each of the principles are adhered to.

Principles of Good governance	Supporting principles – in order to achieve the principles Milton Keynes Council will.....	Evidenced by:
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behave with integrity <ul style="list-style-type: none"> • 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 organisation • 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. • Lead by example and using the above standard operating principles or values as a framework for decision making and other actions • Demonstrate, communicate and embed 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 	<ul style="list-style-type: none"> ▪ Corporate Leadership Team ▪ Council Plan 2012 - 2016 ▪ Chief/Statutory Officers ▪ Internal Audit ▪ External Audit ▪ Standards Committee ▪ The Constitution ▪ Member induction and training ▪ Officer induction and training ▪ Member and Officer Codes of Conduct ▪ Appraisals ▪ Report writing templates and guides ▪ Role profiles and competencies ▪ Audit Committee
	Demonstrate a strong commitment to ethical values <ul style="list-style-type: none"> • Seek to establish, monitor and maintain the organisation’s ethical standards and performance • Underpin personal behaviour with ethical values and ensure they permeate all aspects of the organisation’s culture and operation • Develop and maintain robust policies and procedures which place emphasis on agreed ethical values • Ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation 	<ul style="list-style-type: none"> ▪ Codes of Conduct ▪ Standards Committee ▪ Member induction and training ▪ Officer induction and training ▪ Registers of gifts and hospitality ▪ Declarations of interest ▪ Procurement policy and contract standing orders ▪ Report writing templates and guides ▪ Scrutiny Committees
	Respect the rule of law <ul style="list-style-type: none"> • Ensure members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • Create 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 • Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Deal with breaches of legal and regulatory provisions effectively • Ensure corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> ▪ S151 officer post ▪ Monitoring Officer post ▪ Head of Paid Service post ▪ Constitution – decision making articles ▪ Role profiles and competencies ▪ Anti-Fraud and Corruption Policy ▪ Whistleblowing Policy ▪ Corporate Complaints and Monitoring Procedures ▪ Data Protection Policy ▪ Anti-money Laundering Policy

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B. Ensuring openness and comprehensive stakeholder engagement	<p>Openness</p> <ul style="list-style-type: none"> • Ensure an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness • Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. • Provide 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, ensure that the impact and consequences of those decisions are clear • Use formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action 	<ul style="list-style-type: none"> ▪ Forward Plan ▪ Committee Management Information System ▪ Minutes ▪ Decision notices ▪ Consultation toolkit ▪ Freedom of Information Act publication scheme ▪ Milton Keynes Council’s website ▪ Calendar of dates for meeting deadlines
	<p>Engaging comprehensively with institutional stakeholders</p> <ul style="list-style-type: none"> • Effectively engage 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 • Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensure 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 	<ul style="list-style-type: none"> ▪ Council Plan 2012 - 2016 ▪ Consultation toolkit ▪ MKDP partnership agreements ▪ SEMLEP ▪ Health and Wellbeing Board Terms of Reference ▪ Procurement policy and contract standing orders
	<p>Engaging with individual citizens and service users effectively</p> <ul style="list-style-type: none"> • Establish a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensure that communication methods are effective and that members and officers are clear about their roles with regard to community engagement • Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implement effective feedback mechanisms in order to demonstrate how views have been taken into account • Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Take account of the impact of decisions on future generations of tax payers and service users 	<ul style="list-style-type: none"> ▪ Consultation toolkit ▪ Consultation finder webpage ▪ Comments, complaints and compliments ▪ Customer Service Strategy ▪ Attendance at Meetings Procedure Rules ▪ Joint Strategic Needs Assessment ▪ Joint Health and Wellbeing Strategy ▪ Annual Budget Consultation

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C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	Define outcomes <ul style="list-style-type: none"> • Have a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions • Specify 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 • Deliver defined outcomes on a sustainable basis within the resources that will be available • Identify and manage risks to the achievement of outcomes • Manage service users’ expectations effectively with regard to determining priorities and making the best use of the resources available 	<ul style="list-style-type: none"> ▪ Council Plan <ul style="list-style-type: none"> • Values • Priorities • Performance management framework • Service plans ▪ Risk Management Strategy ▪ Plan:MK ▪ Capital Strategy ▪ Medium Term Financial Strategy
	Sustainable economic, social and environmental benefits <ul style="list-style-type: none"> • Consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Take 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 • Determine 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 • Ensure fair access to services 	<ul style="list-style-type: none"> ▪ Medium Term Financial Strategy ▪ Capital Programme ▪ Council Plan 2012 - 2016 ▪ Core Strategy ▪ MKC Equality Policy ▪ External Auditors Report ▪ Community Engagement Strategy?
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Determine interventions <ul style="list-style-type: none"> • Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • Consider 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 	<ul style="list-style-type: none"> ▪ Council Plan 2012 - 2016 ▪ Financial Strategy ▪ Efficiency and Sustainability Plan - Medium Term Financial Strategy ▪ Performance management framework ▪ Budget consultation ▪ Internal Audit Plan ▪ Annual Governance Statement ▪ Scrutiny Committees ▪ MKDP partnership agreements ▪ Risk Management Policy ▪ Medium Term Savings Tracker / Reporting
	Plan interventions <ul style="list-style-type: none"> • Establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets • Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered • Consider and monitor risks facing each partner when working collaboratively, including shared risks • Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and 	

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	<p>services can be adapted to changing circumstances</p> <ul style="list-style-type: none"> • Establish 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 • Ensure capacity exists to generate the information required to review service quality regularly • Prepare budgets in accordance with objectives, strategies and the medium term financial plan • Inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy <p>Optimising achievement of intended outcomes</p> <ul style="list-style-type: none"> • Ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensure 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 • Ensure the achievement of ‘social value’ through service planning and commissioning 	
E. Developing the entity’s capacity, including the capability of its leadership and the individuals	<p>Develop the entity’s capacity</p> <ul style="list-style-type: none"> • Review operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognise the benefits of partnerships and collaborative working where added value can be achieved • Develop and maintain an effective workforce plan to enhance the strategic allocation of resources 	<ul style="list-style-type: none"> ▪ Appraisal policy and guidance ▪ Employee development policy ▪ Officer induction and training ▪ Member induction and training ▪ Organisational Structure ▪ Job Profiles and competencies ▪ Interview Guidance ▪ Wellbeing Zone

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within it	<p>Develop the capability of the entity’s leadership and other individuals</p> <ul style="list-style-type: none"> • Develop 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 • Publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensure the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads 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 • Develop the capabilities of members and senior management to achieve effective 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 <ul style="list-style-type: none"> • ensure 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 • ensure personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external • Ensure that there are structures in place to encourage public participation • Take steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections • Hold staff to account through regular performance reviews which take account of training or development needs • Ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing 	<ul style="list-style-type: none"> ▪ Executive scheme of delegation ▪ Constitution ▪ Member induction and Training ▪ Employee induction and training ▪ Management Development Programme ▪ HR policy training for managers ▪ 121 Coaching ▪ Team Building Sessions ▪ Visioning Sessions ▪ 360 Feedback ▪ Thomas International Profiling ▪ Provision of timely employee Management Information
F. Managing risks and performance through robust internal control and strong public financial	<p>Manage performance</p> <ul style="list-style-type: none"> • Monitor service delivery effectively including planning, specification, execution and independent post implementation review • Make 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 • Ensure an effective scrutiny or oversight function is in place which provides 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 	<ul style="list-style-type: none"> ▪ The Medium Term Financial Planning ▪ Statement of Accounts ▪ Budget Management Processes and Reporting ▪ Procurement policy ▪ Internal Audit Reports ▪ External Audit Reports ▪ Scrutiny Committees ▪ Peer Review

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management	<ul style="list-style-type: none"> • Provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements) 	<ul style="list-style-type: none"> ▪ Peer Challenge ▪ Inspection
	<p>Robust internal control</p> <ul style="list-style-type: none"> • Align the risk management strategy and policies on internal control with achieving objectives • Evaluate and monitor risk management and internal control on a regular basis • Ensure effective counter fraud and anti-corruption arrangements are in place • Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensure an audit committee 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 and that its recommendations are listened to and acted upon 	<ul style="list-style-type: none"> ▪ Anti-Fraud and Corruption Policy ▪ Whistleblowing Policy ▪ Anti-Money Laundering Policy ▪ Financial Procedure Rules, Regulations and Contract Standing Orders ▪ Information Governance Policy ▪ Internal Audit ▪ Chief Internal Auditor Annual Report ▪ Annual Governance Statement ▪ Risk Management Strategy & Policy ▪ Scheme of Delegation
	<p>Managing data</p> <ul style="list-style-type: none"> • Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensure effective arrangements are in place and operating effectively when sharing data with other bodies • Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring 	<ul style="list-style-type: none"> ▪ Information Governance Policy ▪ Information Governance Strategy ▪ Information Governance Board ▪ IT Security Policy ▪ Data Protection Policy ▪ Freedom of Information / EIR Regulations Policy ▪ Records Retention Policy ▪ Safe Information Handling Guidance ▪ MKC Safe Information Handling ▪ Security Classification Guidance ▪ MKC Clear Desk / Screen Guidance ▪ Caldecott Guardians ▪ Partnership Governance Guidance
	<p>Strong public financial management</p> <ul style="list-style-type: none"> • Ensure financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	<ul style="list-style-type: none"> ▪ Financial Regulations / Contract Standing Orders ▪ Medium Term Financial Planning ▪ Integrated Finance and Performance Reporting ▪ Corporate Business Planning

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		<ul style="list-style-type: none"> ▪ Budget Management Processes and Reporting
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Implementing good practice in transparency <ul style="list-style-type: none"> • Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Strike 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 	<ul style="list-style-type: none"> ▪ Milton Keynes Council Website ▪ Committee Management Information System ▪ Committee Agendas, Papers and Minutes ▪ Publication Scheme ▪ Forward Plan ▪ Public Access to Meetings ▪ Members Allowances ▪ Independent Remuneration Panel
	Implementing good practices in reporting <ul style="list-style-type: none"> • Report at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensure members and senior management own the results reported • Ensure robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensure that this Framework is applied to jointly managed or shared service organisations as appropriate • Ensure 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 	<ul style="list-style-type: none"> ▪ Committee management Information system ▪ Annual Governance Statement ▪ Milton Keynes Council website ▪ Annual External Audit Report and Letter ▪ Statement of Accounts ▪ Partnership Governance Guidance
	Assurance and effective accountability <ul style="list-style-type: none"> • Ensure that recommendations for corrective action made by external audit are acted upon • Ensure an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gain assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met 	<ul style="list-style-type: none"> ▪ Audit Committee Terms of Reference ▪ Internal Audit Charter ▪ Peer Reviews ▪ Published Results of External Inspections ▪ Partnerships Governance Guidance ▪ Risk Management Strategy & Procedures

