

CHORLEY BOROUGH COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

MARCH 2022

Chorley Borough Council

Local Code of Corporate Governance

1. Introduction

The "Local Code of Corporate Governance" (the Local Code) sets out and describes the Council's commitment to corporate governance and identifies the arrangements that have been developed and maintained to enable the transparent and fair delivery of the Council's work. Each year the Council prepares an annual governance statement which tests the internal control environment against our Local Code. The Local Code is an important document which provides the framework for our compliance with good governance standards.

2. Background

The framework "Delivering Good Governance in Local Government" was first published by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) late in 2007. This framework has been reviewed by CIPFA and Solace in 2015 and a revised framework published in spring 2016. It details 7 core principles which should form the basis for each council's Local Code. These will be considered below.

3. What is Corporate Governance?

Each local authority operates through a governance framework. It is a system that sets out how we manage our obligations and behaviours and how we make decisions. For the purpose of this Local Code, Chorley Borough Council has accepted the following definition of Corporate Governance:-

"Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, and cultures and values, by which local authorities are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities".

Chorley Borough Council recognises that effective local government relies upon establishing and maintaining the public's confidence in both the elected Members and officials, which then underpins the credibility and confidence in the services that we provide. Good governance should focus on outcomes for residents and service users.

Chorley Borough Council seeks to encourage the values of good governance to both our existing and potential partners through the promotion of these behaviours and by providing a clear and demonstrable lead.

4. Chorley Borough Council's Corporate Strategy

The Council's vision is:

“A proactive community leader, supporting the borough and all its residents, whether in rural or urban areas, to reach their full potential through working in partnership to deliver services that achieve the best outcomes for local people and protect vulnerable people”.

The Council's corporate priorities are:

- **An ambitious council that does more to meet the needs of residents and the local area**
- **Involving residents in improving their local area and equality of access for all**
- **A strong local economy**
- **Clean, safe and healthy homes and communities.**

All the activities and work the council undertakes and delivers should be capable of being traced into the corporate priorities and the delivery of our vision. This ensures that residents can be clear as to why we are undertaking our works and making these decisions.

The priorities set what outcomes the Council is looking to deliver and the corporate projects set how these outcomes will be delivered.

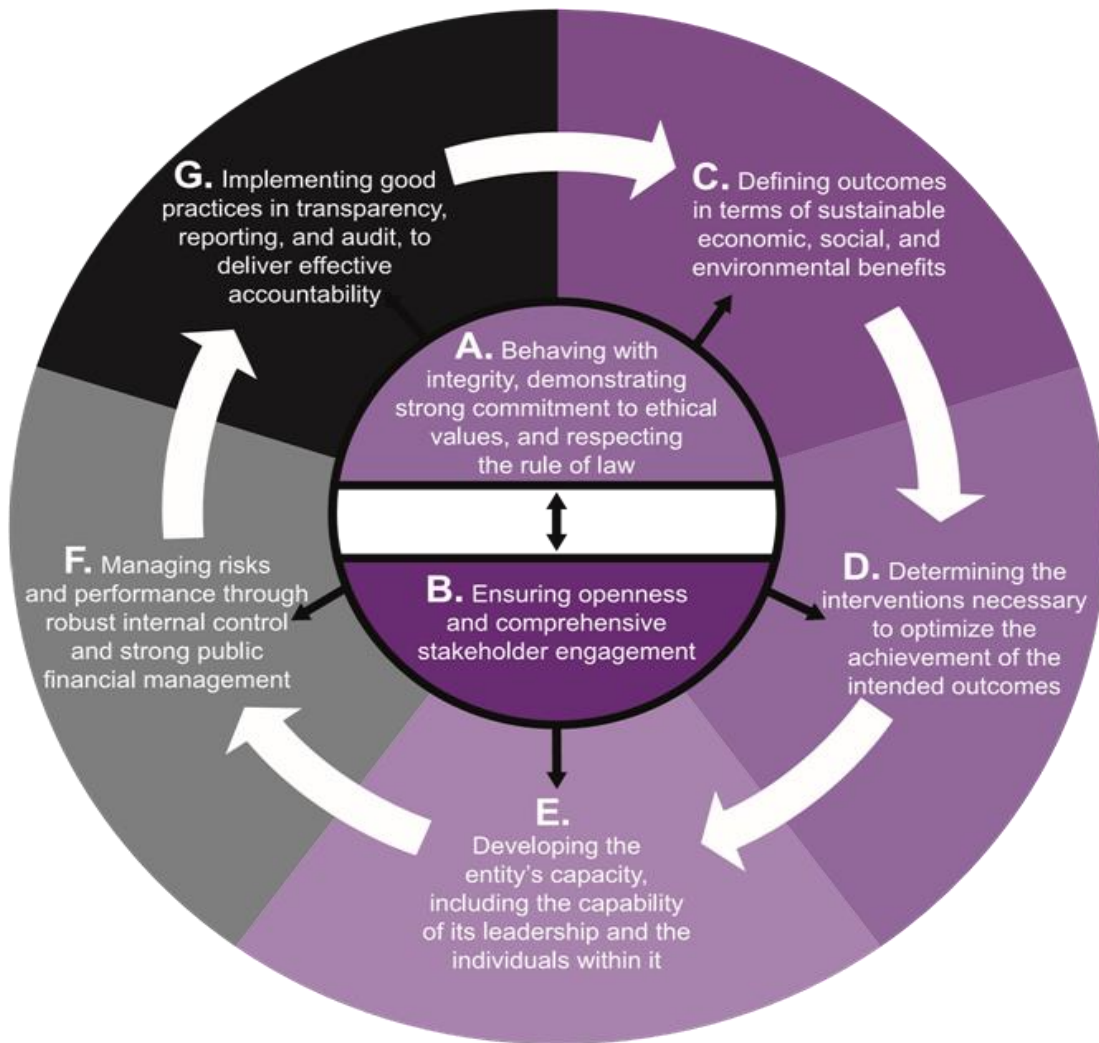
Also important for corporate governance, the corporate plan provides measures against which delivery can be assessed.

5. Framework for the Local Code

The following seven **core principles** are taken from the International Framework: Good Governance in Public Sector (CIPFA/IFAC 2014). Good governance means:

- 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 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

The diagram below, illustrates how the principles relate to each other.



To demonstrate a strong governance environment, we have to demonstrate how we comply with these principles.

The table below shows how the principles, statutory obligations and corporate priorities are supported by corporate documents and processes.

The tables at Appendix A set out the council's specific approach and processes which evidence compliance.

CHORLEY BOROUGH COUNCIL CORPORATE GOVERNANCE FRAMEWORK
Principles, Statutory Obligations and Corporate Objectives

