

Standards Committee			
Title	Review of Local Code of Corporate Governance 2016-17		
Wards	All		
Contributors	Head of Law		
Class	Open	Date	9 May 2017

1. Summary

- 1.1 In December 2002, the Standards Committee considered and endorsed a Local Code of Corporate Governance for the London Borough of Lewisham. The Local Code is detailed at Appendix 1. Compliance with this code is subject to regular review, the last of which was reported in July 2016. Compliance with the Local Code has again been reviewed (see Appendix 2); the review has found that the Council is compliant with the Local Code.

2. Purpose

- 2.1 To report the results of the annual review of compliance with the Local Code of Corporate Governance. The results of the review appear at Appendix 2.

3. Recommendation

- 3.1 Members of the Standards Committee are asked to consider and endorse the outcomes of the review.

4. Background

- 4.1 In 2002 CIPFA/SOLACE promoted a Code of Corporate Governance to local authorities. This Code included five dimensions:
- Community Focus
 - Service Delivery Arrangements
 - Structures and Processes
 - Risk Management and Internal Control

- Standards of Conduct

4.2 Councils were advised to include particular features under each of the above dimensions in their Local Codes. A detailed review of Lewisham's compliance against the Local Code appears in Appendix 2 on page 12.

5. Review of compliance with the Local Code of Corporate Governance

5.1 In 2007, CIPFA / SOLACE revised their original national Code of Corporate Governance to build on recent governance work in both the public and private sector. The new framework consists of six key principles.

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

5.2 In July 2016 the Standards Committee received a review of compliance with the Local Code of Corporate Governance. This year compliance has been reviewed again. The process for doing so has been to revisit the findings of last year and to test those with relevant officers across the Council. External evidence of compliance, particularly that obtained from the Audit Commission and Ofsted, is referenced where applicable.

5.3 The review has found that, as last year, the Council is compliant with the Local Code of Corporate Governance.

6 Training

6.1 The Local Code of Corporate Governance states that ‘training will be provided for both officers and members in order to assist them to develop the skills and knowledge necessary to fulfil their roles and responsibilities.’

6.2 The Head of Law has provided training to members and officers on the following:

- Code of Conduct and Equalities
- Induction and decision making
- Dealing with breaches of the Member Code of Conduct
- Individual Electoral Registration (MPs briefing)
- Decision making (officers briefing)
- Election issues (officers briefing)
- Members sitting on outside bodies
- Employee Code of Conduct

7 Review

7.1 The Local Code of Corporate Governance requires that compliance with the code be monitored annually.

8 Legal Implications

8.1 There are no specific legal or financial implications

9 Equalities Implications

9.1 Public bodies such as local authorities are legally required to consider the three aims of the Public Sector Equality Duty (set out in the Equality Act 2010) and document their thinking as part of any decision-making processes. The Act sets out that public bodies must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between people who share a protected characteristic and those who do not share that characteristic; and

- foster good relationships between those who share a protected characteristic and those who do not share that characteristic.

The following equalities characteristics are 'protected' from unlawful discrimination in service provision under the Equality Act 2010: age; disability; gender; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; gender; and sexual orientation.

The Equality and Human Rights Commission (EHRC) have issued [technical guidance](#) for public authorities in England on the Public Sector Equality Duty. This technical guidance explains the three aims of the Public Sector Equality Duty, outlines the requirements of the Equality Act 2010 and the specific duty regulations and provides practical approaches to complying with the Public Sector Equality Duty. This document provides an authoritative, comprehensive and technical guide to the detail of the law. The EHRC technical guidance is not a statutory Code, but may be used as evidence in legal proceedings. Showing that the guidance has been followed - or being able to explain why it was not - will be relevant in demonstrating compliance with the Public Sector Equality Duty.

- 9.2 Equalities issues are key to the Local Code of Corporate Governance. The Council and its partners strive to promote equality of opportunity for all and eliminate discrimination. Good governance arrangements will help to ensure that the practices of the Council are open and accessible for all. These values are at the heart of Lewisham's Local Code of Corporate Governance and are specifically detailed in Section H: Accountability and Community Focus.

10 Environmental

- 10.1 The revised national CIPFA/SOLACE governance frameworks suggests that Council's measure the environmental impact of policies, plans and decisions. It is best practice that all committee reports include an environmental implications section.

11 Community Safety

- 11.1 There are no specific Community Safety Implications.

Appendix 1

Code of Corporate Governance

A What is a Code of Corporate Governance?

A Code of Corporate Governance might be defined as a statement of the system by which a local authority directs and controls the exercise of its functions and relates to the local community. This definition is founded on that used in the Cadbury Report on the Financial Aspects of Corporate Governance which related to the governance of private companies. However it also recognises the key role of local government in community leadership, by placing emphasis on relationships with local people.

B The Purpose of a Code of Corporate Governance

Aspects of corporate governance find expression in the everyday practices and procedures of a local authority. However an overarching Code of Corporate Governance fulfils the following purposes:-

- It stimulates confidence in the activities of local government, its politicians and employees, and the way it goes about business
- It focuses the minds of those involved in local government on making decisions in a proper way and engaging local stakeholders
- It assists with continuous improvement in the delivery of services, and serves to minimise the authority's exposure to risk.

C Fundamental principles

Cadbury identified three fundamental principles for corporate governance. They are:-

- Openness
- Integrity
- Accountability

These are as relevant in the public sector as the private – possibly more so. These fundamental principles were expanded by the Nolan Committee on Standards in Public Life, and further strengthened as the guiding principles underpinning the statutory model code of conduct for members. These principles are readily accepted by the Council as underpinning all local government activity. They appear as an Appendix to the Council's Member Code of Conduct but are endorsed as applicable to all Council activity.

They are:-

- Selflessness - members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person
- Honesty and integrity - members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- Objectivity - members should make decisions on merit, including when making appointments, awarding contract, or recommending individuals for rewards or benefits
- Accountability - members should be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their particular office
- Openness - member should be as open as possible about their actions and should be prepared to give reasons for them
- Personal Judgement - members must take account of the views of others (and this may include their political groups) but should reach their own conclusions on the issues before them and act in accordance with those conclusions
- Respect for others - members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief and sexual orientation. They should respect the integrity and impartiality of the authority's statutory officers, and its other employees and not do anything to compromise that impartiality
- Duty to uphold the law - members should uphold the law and on all occasions act in accordance with the trust that the public is entitled to place in them
- Stewardship - members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law
- Leadership - members should promote and support these principles by leadership, and by example, and should always act in a way that secures or preserves public confidence.

D The decision making process

Decisions will be taken in accordance with the following:-

- a) the decision will be made following an evaluation of options
- b) the decision maker will take professional advice (including financial and legal advice where the decision may have legal and/or financial consequences)
- c) the decision will be taken following a consideration of all relevant matters and disregarding irrelevancies
- d) reasons for the decision will be recorded as will details of options considered with reasons for their rejection
- e) action taken will be proportionate to the result to be achieved
- f) respect for human rights will be balanced with the Council's duty to the wider community
- g) a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public
- h) consultation appropriate to the matter under consideration
- i) clarity of aims and desired outcomes
- j) the highest standards of ethical conduct, avoiding actual, potential and perceived conflicts of interest
- k) consideration of business by Council members will be on the basis of written reports containing all relevant service, corporate, legal and financial considerations
- l) all executive decisions may be subject to scrutiny by the Overview and Scrutiny Committee in accordance with the Council's constitution
- m) decisions will be taken in accordance with the Council or Mayoral Scheme of Delegation as appropriate, and these schemes will be maintained, kept up to date and made available to the public

E Ethics

1. The Council will maintain and promote a Member Code of Conduct, which complies in all respects with all legal requirements.
2. The Council will maintain an Employee Code of Conduct, which complies with all legal requirements and promotes the highest standards of behaviour among employees.
3. Training will be provided for members and staff on the operation of the Codes of Conduct.

4. The Council will maintain a Members' Register of Interests in accordance with the law, and inform members of their duty to keep it up to date.
5. Key senior staff will be requested to disclose any interests which they have, which if they were a member they would be required to disclose, and a register kept of those interests declared.
6. The Council will maintain a protocol relating to the relationship between members and staff, promoting professional and effective relations between staff and all members, whether members of the Cabinet or overview and scrutiny.
7. The Council will adopt and maintain a whistleblowing policy, which is made widely available, and will report on referrals under it each year.

F Members' roles

1. The Council will document the roles of all members of the authority including the relative roles of the Mayor and Cabinet and non-executive members of the authority. Officers will support all members in the performance of these roles.
2. Members will maintain appropriate schemes of delegation and in particular define those matters reserved for collective decision by the full Council.
3. Members will put in place clearly documented processes for policy development, implementation and review and for decision making, monitoring and control, as well as procedural and financial regulations relating to the conduct of Council business.
4. Members will recognise that although within the Council they may fulfil different roles (for example as scrutineer or member of the political Executive) the Council remains a single corporate entity and can only function effectively if there is an appropriate balance between this corporate approach and the need to ensure that executive decisions are made appropriately and scrutinised constructively.
5. As required by law, members will put in place the terms of their remuneration and arrangements for review by an Independent Remuneration Panel.
6. Each year the Council will publish details of remuneration paid to each member of the Council.

G Officers' roles

1. The Council will maintain the post of Head of Paid Service (Chief Executive - responsible for the management of the Council's workforce and overall corporate management of the authority) separate from the political executive of the authority.

2. The Council will maintain the post of Chief Finance Officer to advise on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control.
3. The Council will maintain the post of Monitoring Officer who will be the person responsible to the authority for ensuring that procedure, legislation and good practice are complied with.
4. The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer shall be entitled to attend any meeting of the Council, the Mayor and Cabinet or any committee.
5. When considering any matter members must have regard to the advice of the Council's statutory officers.
6. All staff will have job descriptions which clearly define their roles, responsibilities and remuneration.
7. Council employees will support and advise all members of the Authority irrespective of whether they are executive or nonexecutive members.

H Accountability and Community Focus

1. The Council will record its decisions in writing and make those written records and the reasons for a decision available to the public.
2. All decisions made by the Mayor or delegated by him will be available for scrutiny by the overview and scrutiny committee in accordance with the Council's constitution.
3. The Mayor, members of the Cabinet and Executive Directors may be required to give account for their performance to the relevant overview and scrutiny committee.
4. The Council will publish annual performance targets and report on performance against those targets annually.
5. The Council will adopt a performance management framework to analyse key performance indicators and make information about performance against those indicators publicly available periodically.
6. The Council will put in place mechanisms to encourage participation in the affairs of the Council by individuals and groups from a broad cross section of the community, and will monitor their effectiveness.
7. In consultation with the local community will develop a vision for the local community and other stakeholders and will ensure that that vision is expressed clearly and publicised.
8. The Council will co-operate fully with external inspectors and respond positively to their findings, making arrangements to implement agreed actions effectively.

I Financial matters

In addition to those financial matters raised elsewhere in this code, the Council will:-

1. Put in place a process by which resources are allocated to priorities
2. Adopt a financial reporting process to ensure that members receive financial monitoring reports at appropriate intervals
3. Maintain an objective and professional relationship with external auditors
4. Publish an annual statement of accounts in a timely manner

J Risk Management

1. The Council will put in place a robust system for identifying and evaluating significant risks to the authority
2. The Council will put in place effective risk management systems, including systems of internal control as well as effective arrangements for an objective review of risk management and internal control
3. Annually the Council will publish an objective balanced and understandable statement and assessment of the authority's risk management mechanisms and their effectiveness.

K Partnership Governance

The Council will ensure that it has robust and effective mechanisms to ensure that its partnerships are effectively grounded, and that the risks involved in partnership working are accurately identified and appropriately managed.

L Review

The Council will monitor compliance with this Code annually. The Head of Paid Service, Chief Finance Officer and the Monitoring Officer will present a joint report to the Standards Committee on the extent of compliance, and the Council's annual statement of accounts will contain a statement explaining the extent of compliance. The officers will also present any proposals for amendment to the Code for consideration.

Review of the Local Code of Corporate Governance 2016/17

Sections (a) and (b) relate to the definition and purpose of the local code.

SECTION C: Fundamental principles

Cadbury identified three fundamental principles for corporate governance. They are:

- Openness
- Integrity
- Accountability

The Nolan principles are readily accepted by the Council as underpinning all local government activity. They are a key part of the new local Code of Conduct for Members which is detailed at Part V of [the Constitution](#). The Council introduced this Code under Section 28 of the Localism Act 2011 which specified statutory elements to be incorporated in the Code. Section 28 of the Localism Act 2011 requires an authority's Code of Conduct for Members to be consistent with the Seven Principles of Public Life set out in the First Report of the Nolan Committee on Standards in Public Life. Its purpose is to promote the highest [ethical standards](#) of conduct from all Members of the Council.

Our long-standing and continued organisational commitment to embedding these principles is demonstrated by the findings of external assessors over a number of years.

Section D
Decision making

SECTION D. Decision making

National Code Dimension: 1.7, 2.3, 3.6, 3.7, 4.2, 4.6, 4.7, 4.12

Members follow required formal procedures when making Council decisions, which ensure that such decisions are made transparently and openly. There is an annual programme of regular meetings whereby formal decisions are taken. Committee reports are produced by Officers in a standard format to ensure that authors address all significant considerations such as the service, corporate, legal and financial implications of decisions, equalities issues, environmental issues and risk assessment. Every committee agenda includes as a standard item a section on declarations of interest by committee members which sets out the legal position in relation to the need to declare, and on occasion, withdraw from discussion of matters where the member has a personal or prejudicial interest.

The highest standards of ethical conduct are adhered to in order to avoid actual, potential and perceived conflicts of interest. This is reflected in the Member and Officer Codes of Conduct. The principles of decision making appear as Article 16 within the Constitution. Standards Committee receives a report on Member compliance with the Code of Conduct. In October 2015 the Standards Committee reported the Member Code of Conduct appeared to be well embedded in Lewisham and that evidence suggested there was a high level of compliance.

Decisions are taken in accordance with the Council and Mayoral scheme of delegation as appropriate and these schemes are maintained, kept up to date and made available to the public as detailed within the Constitution (Rule D17). The Constitution states, “within 2 working days of an Executive decision being taken it shall be published by the proper Officer at the Town Hall and sent to all Members of the Council where possible by electronic means. Decisions will also be recorded in a central register kept by the proper Officer which will be available to all Members of the Council and the public”.

Decisions are taken in accordance with the general principles of administrative law and on the basis of professional advice at all times. Minutes are published and made widely available through the Lewisham website. Executive decisions are subject to review by Overview and Scrutiny business panel and may be called-in in accordance with the Council’s Constitution. The most recent example of a matter referred to the Mayor for reconsideration in accordance with the call in procedure was the report on the New Bermondsey CPO which the Mayor and Cabinet was asked to reconsider in September 2016 and which was subsequently not progressed.

In addition to the procedural requirements stated above, three examples of the decision making process have been examined against the key principles of this

dimension of the local code. The evidence indicates that the decision making process is sound, transparent and consistent with the requirements of the code. The reports considered by Mayor and Cabinet were:

Public Health Savings Consultation (July 2016)

<http://councilmeetings.lewisham.gov.uk/documents/s44580/Public%20Health%20Savings%20Consultation.pdf>

Resettlement of Syrian Refugee Households (September 2016)

<http://councilmeetings.lewisham.gov.uk/documents/s45111/Syrian%20Refugees.pdf>

Draft Air Quality Action Plan 2016 – 2021 (December 2016)

<http://councilmeetings.lewisham.gov.uk/documents/s47002/Air%20Quality%20Action%20Plan.pdf>

Section E
Ethics

SECTION E: ETHICS

1. The Council will maintain and promote a Member Code of Conduct, which complies in all respects with all legal requirements.

National code dimension: 3.2, 3.4, 3.6, 5.1

A revised Code of Conduct for Members was formally adopted in June 2012, following detailed consideration by the Constitution Working Party, the Standards Committee and the Council and is detailed at Part V of the Constitution. The revised Code of Conduct for Members complies with the requirements of the Localism Act 2011 which sets out some common ethical requirements for every local authority Code. It also gives wide discretion to each local authority to formulate its own code to meet the needs of local circumstances and sets out the standards of conduct expected of all Members of the Council. It is written to support the Council's commitment to organisational integrity. Lewisham's Code is designed not only to ensure compliance with the new law but to maintain the Council's long held commitment to the highest standards of behaviour in local government.

The measures set out in the Code are intended both to promote public confidence in local governance, to simplify the requirements of the ethical framework and to reduce the bureaucracy involved in handling complaints of breach of the member code of conduct.

This Code and its protocols are designed to promote public confidence in the actions of Members and employees. These documents encourage Members and Officers not only to avoid actual impropriety but at all times to avoid the suspicion or appearance of improper conduct. Members are required not to do anything that they could not justify to the public and to bear in mind that they serve the whole community. The Code represents the standard against which the conduct of Members will be judged by the public, other Members, partners, and the Council's own Standards Committee, which has been retained by the Council even though there is no statutory compulsion to have such a body.

Every Member should make sure that they are familiar with the requirements of the law, the Council's Constitution, as well as the requirements of the Code and its guidance and protocols. All Members are required to sign a declaration that they will comply with the Code of Conduct. Members should review their personal circumstances with this in mind, particularly as they change, to ensure compliance.

The Members' Code of Conduct is accessible to the public as part of the [Council's Constitution](#), and as a printed document available in public libraries.

To publicise the code, the following actions have been taken:

The [Code of Corporate Governance](#) and the Council's [ethical standards](#) are available on the Lewisham website. Internally, the Code of Conduct is available on the intranet. Related information is also publicly available on the website. For example, sites include information on [how the Council is governed](#) and the [comments, complaints and compliments](#) process.

Lewisham Life delivered to all households in the borough, includes Member contact details and a standing item on the Code of Conduct in the 'What's On' section of each edition of the magazine.

With reference to contracts, the Council's [Code of Practice for Suppliers and Service Providers](#) refers specifically to the Member Code of Conduct.

A new procedure for the investigation of complaints was adopted by the Council in June 2012 and this was reviewed by the Standards Committee on [26 March 2014](#). The Committee made minor, but not significant, changes. At the same meeting, the cases investigated during the year and the outcomes were reported. Allegations of breach of the Member Code of Conduct are now referred initially to the Monitoring Officer. In accordance with statutory requirements the Council has appointed two people to serve as the Independent Person whose views are to be sought prior to the Standards Committee making any decision on an allegation that has been investigated. The Chair of the Standards Committee reported to Full Council at the AGM on 30 March 2016.

SECTION E: ETHICS

2. The Council will maintain an Employee Code of Conduct, which complies with all legal requirements and promotes the highest standards of behaviour among employees.

National code dimension: 3.1, 3.2, 3.4

The Council maintains an Employee Code of Conduct. All employees are required to comply with the Code and the two protocols which accompany it. Breaches of the protocols are deemed to be breaches of the Code. Any breaches are treated seriously and are dealt with under the Council's Disciplinary procedure. This could result in dismissal from the Council's service.

The Employee Code of Conduct is appended to the [Constitution](#) with the Member Code of Conduct.

SECTION E: ETHICS

3. Training will be provided for Members and staff on the operation of the Codes of Conduct.

National code dimension: 3.2, 5.1, 5.4

Training on the Codes of Conduct for both members and officers has been delivered by the Head of Law. Members were provided with training on the operation of the Code of Conduct as part of the induction programme which took place after the local elections in May 2014. The Head of Law delivered the training on 5 June 2014 and the slides have been made available.

SECTION E: ETHICS

4. The Council will maintain a Members' Register of Interests in accordance with the law, and inform Members of their duty to keep it up to date.

National code dimension: 3.3, 3.6, 4.3

The Members' Register of Interests is updated annually and is then reviewed by the Standards Committee. In accordance with the Localism Act declaration of interest forms were issued to all members and returned within 28 days of the local elections held on 22 May 2014 and members were informed of the requirement to update their returns if necessary within 28 days of any subsequent changes occurring. Since 17 August 2011 individual entries for each Councillor have been displayed on the website. The manual register is held and managed by the Head of Committee Services on behalf of the Monitoring Officer and is made available for public scrutiny upon request, at the Town Hall.

SECTION E: ETHICS

5. Key senior staff will be requested to disclose any interests which they have, which if they were a Member they would be required to disclose, and a register kept of those interests declared.

National code dimension: 3.3, 4.3

The following officers are required to update the register of interests annually, and these updates are audited as part of the Statement of Accounts process:

- All officers at SMG1 salary scale and above (or Soulsbury equivalent)
- All officers involved in procurement, commissioning and contract monitoring irrespective of grade

- All interims, consultants and agency staff who are paid at an SMG equivalent level.
- The declarations were last updated in November 2016.

SECTION E: ETHICS

6. The Council will maintain a protocol relating to the relationship between Members and staff, promoting professional and effective relations between staff and all Members, whether Members of the Cabinet or overview and scrutiny.

National code dimension: 2.5, 2.8, 3.1, 3.2

As stated above, the Council has agreed both Member and Officer Codes of Conduct and the Member Code includes a protocol for Member / Officer relations as an appendix of the Constitution.

SECTION E: ETHICS

7. The Council will adopt and maintain a whistle blowing policy, which is made widely available, and will report on referrals under it each year.

National code dimension: 3.2, 4.9

A whistle blowing policy has been agreed, reviewed and is available on the intranet. Complaints made under the whistle blowing policy are investigated and reported by the Head of Law. On 09 November 2016 the Standards Committee reviewed the whistle blowing policy and received a report about the complaints made under the whistle blowing policy during the course of the year.

Section F
Members' Roles

SECTION F: MEMBERS' ROLES

1. The Council will document the roles of all Members of the authority including the relative roles of the Mayor and Cabinet and non - executive Members of the authority. Officers will support all Members in the performance of these roles.

National code dimension: 2.1, 2.2, 2.8, 5.5, 5.6, 5.9

The Council's Constitution sets out the roles and responsibilities of Members, both generally and particularly (i.e. the Mayor, Chair of Council, the Council as a whole, the Executive, Overview and Scrutiny committees, Standards Committees etc.) This appears at Article 1 and in more detail throughout the Constitution.

For example, the Constitution specifies that the Mayor will carry out the following roles:

- a) to be the Council's principal spokesperson
- b) to give overall political direction to the Council
- c) to appoint (and dismiss) the Executive
- d) to decide on a schedule of delegation of executive functions
- e) to chair meetings of the Executive
- f) to represent the Council on external bodies that deal with Executive functions.

Officers support all Members in the performance of their roles. This includes provision for attendance, of lawyers and financial officers at every meeting of Mayor and Cabinet to provide professional expertise, and at Overview and Scrutiny Committee as appropriate.

Member development

Lewisham has a Member Development Strategy, which incorporates the following five principles:

- Commitment to Member development
- Strategic approach to Member development
- Member learning and development plan in place
- Learning and development is effective in building capacity
- Elected Member Development promotes work life balance and
- citizenship

The overall aim of the Member Development Programme is to ensure that all Members have access to the training and development opportunities they need to fulfil their responsibilities to the local community and provide clear leadership and effective scrutiny of local Council functions. Lewisham's approach to Member development will continue to evolve and be informed by Member input, evaluation of best practice and a personalised approach. A comprehensive induction programme was delivered following the local elections in May 2014, designed to equip all councillors with the essential knowledge and skills required to undertake their roles. Further development sessions have been held since, covering chairing skills, using social media effectively and confident and effective communication skills. A number of all-Member briefings have also been held including sessions on licensing and planning, sitting on outside bodies, the Prevent Strategy and Health & Adult Social Care.

Three new Councillors have been elected in 2016-2017 as a result of by-elections and all have received a comprehensive programme of induction to equip them with the necessary knowledge and skills to carry out their roles.

SECTION F: MEMBERS' ROLES

2. Members will maintain appropriate schemes of delegation and in particular define those matters reserved for collective decision by the full Council.

National code dimension: 2.3

The Council Scheme of Delegation and the Mayoral Scheme of Delegation are appended to the Constitution at Part VIII. They delegate all functions except those specifically reserved for Members. Those exclusions are explicit and as a result the schemes of delegation are particularly clear. The Council has a Constitution Working Party, which keeps the Constitutional arrangements of the authority under review and makes proposals to full Council for any amendment to the Council's scheme of delegation.

The Constitution sets out which decisions are referred to Full Council. In 2016/17 reports to Council have included consultation and site selection on a Gypsy and Traveller Local Plan, a response to draft proposals from the Boundary Commission for England, a final response to the findings of the Broadway Theatre Working Group and the creation of a Barriers to Politics Working Group and of a New Bermondsey Independent Inquiry Sub-Committee. In addition two Joint Health Overview and Scrutiny Committees were set up in 2016/17.

The Constitution has been updated to reflect these new responsibilities.

SECTION F: MEMBERS' ROLES

3. Members will put in place clearly documented processes for policy development, implementation and review and for decision making, monitoring and control, as well as procedural and financial regulations relating to the conduct of Council business.

National code dimension: 2.12, 4.1, 4.2, 4,7

The processes for policy development, implementation and review are specifically dealt with in the Constitution, at Part IV, section F et seq. Overview and Scrutiny Select Committees have early consideration of developing statutory policy options. This year, all select committees have had the opportunity to review the savings proposals underpinning the budget for 2016/17 in advance of final proposals being presented by the Mayor. Overview and Scrutiny Select Committees may scrutinise any matter within their remit and ask Members of the Mayor and Cabinet and Senior Officers to give account for their actions. Any Member of an Overview and Scrutiny Committee may place an item on its agenda. This is codified in the Constitution, in Article 6. Part IV of the constitution sets out the procedures and rules for decision making, monitoring and control. Decisions are publicised within two days of being made.

Executive decisions may be considered by the Council's Overview and Scrutiny Business Panel at a meeting which may exercise the right of call-in and ask the decision maker to reconsider.

The Council's Constitution includes Financial Procedure Rules. These were reviewed at Council in June 2012. The requirements of the Public Services (Social Value) Act 2012 were added in March 2013. The entirety of Part IV of the Constitution is concerned with the procedural regulations applying to the conduct of Council business.

SECTION F: MEMBERS' ROLES

4. Members will recognise that although within the Council they may fulfil different roles (for example as scrutineer or Member of the political Executive) the Council remains a single corporate entity and can only function effectively if there is an appropriate balance between this corporate approach and the need to ensure that executive decisions are made appropriately and scrutinised constructively.

National code dimension: 4.1, 4.2

The constitution states that "There are 54 Councillors who are elected to

represent areas of the London Borough of Lewisham called wards. The Council also has a Mayor, who is elected by voters across the whole of the borough. Together they act as one body, the Council of the London Borough of Lewisham” and continues to state that “The Council acts as one corporate body”. The Lewisham Councillors’ “role map/skills framework and role descriptors” states that all Councillors should:

- represent the interests of local people in the area they were elected to serve;
- contribute to the good governance of the authority; and
- participate effectively as a member of the full Council, any committee, panel or member body to which the Councillor is appointed.

Key decisions made by the Mayor are subject to scrutiny by the Overview & Scrutiny Business Panel. This body has the power to exercise call-in, which was used twice in 2016/17. The Overview and Scrutiny Business Panel also refers items for discussion to the appropriate Select Committee. There are six Select Committees, each with specific terms of reference and responsibilities in terms of scrutiny. Each Select Committee has the role of developing an annual work programme to enable it to contribute its views into the decision making process. Support for Mayor and Cabinet and Overview & Scrutiny is provided by both Executive Directors and Heads of Service across the organisation.

SECTION F: MEMBERS’ ROLES

5. As required by law, Members will put in place the terms of their remuneration and arrangements for review by an Independent Remuneration Panel

National code dimension: 2.9

The Council has approved the appointment of London Councils as its Independent Remuneration Panel. The Council had regard to its recommendations when agreeing councillors’ remuneration, having first sought advice from an independent person, Sir Rodney Brooke, to assess the “fit” of these recommendations in the particular context of Lewisham’s arrangements. Although Members’ Allowances have not increased for seven years, they have been amended to include childcare expenses in line with the London Living Wage.

SECTION F: MEMBERS’ ROLES

6. Each year the Council will publish details of remuneration paid to each Member of the Council

National code dimension: 2.9

The Members Allowance Scheme is attached to the [constitution as part VI](#).

The Council also publicises its Members Allowance Scheme each year in a newspaper. In June 2016, the Council published this information in The South London Press.

Section G
Officers' Roles

SECTION G: OFFICERS' ROLES

1. The Council will maintain the post of Head of Paid Service (Chief Executive - responsible for the management of the Council's workforce and overall corporate management of the authority) separate from the political executive of the authority.

National code dimension: 2.1, 2.2, 2.4

This requirement is addressed in the Constitution and in the job description of the Chief Executive. Article 14 of the [Constitution](#) sets out the functions of the Head of Paid Service who is also known as the Council's Chief Executive.

SECTION G: OFFICERS' ROLES

2. The Council will maintain the post of Chief Finance Officer to advise on the proper administration of the Council's financial affairs, keeping proper financial records and maintaining effective systems of financial control.

National code dimension: 2.1, 2.2, 2.6

These duties are reflected in the job description of the Executive Director for Resources & Regeneration. See Article 14 of the [Constitution](#) et seq.

SECTION G: OFFICERS' ROLES

3. The Council will maintain the post of Monitoring Officer who will be the person responsible to the authority for ensuring that procedure, legislation and good practice are complied with.

National code dimension: 2.1, 2.2, 2.7, 4.10, 4.11

This requirement is addressed in the Constitution and in the job description of the Head of Law. The Monitoring Officer has oversight of the registers of Members' interests and gifts/hospitality.

The Monitoring Officer also offers support and guidance to the Standards Committee by:

- attending committee meetings
- advising Members of the committee

- submitting reports to the committee
- contributing to the development of the work programme of the committee in close collaboration with the Chair of the Committee
- providing training and sharing best practice.

See Article 14 of the Council's [Constitution](#).

SECTION G: OFFICERS' ROLES

4. The Head of Paid Service, the Monitoring Officer and the Chief Finance Officer shall be entitled to attend any meeting of the Council, the Mayor and Cabinet or any committee.

National code dimension: 4.6, 4.7, 4.10, 4.11

This is documented within the [Constitution](#) at Rule 21 of the Access to Information Procedure Rules. "The Head of Paid Service, Chief Finance Officer and Monitoring Officer and their nominees are entitled to attend any meeting of the Executive and its committees. The Executive may not meet unless the proper Officer has been given reasonable notice that the meeting is to take place. A private meeting of the Executive may not meet to take any decision unless the Head of Paid Service, the Chief Finance Officer or the Monitoring Officer or their nominee are present. The meeting may only take a decision if there is an officer present with responsibility for recording and publicising the decision".

SECTION G: OFFICERS' ROLES

5. When considering any matter Members must have regard to the advice of the Council's statutory Officers.

National code dimension: 4.7, 4.10, 4.11

Article 14 of the [Constitution](#) designates seven posts as statutory officers. In addition to the three corporate statutory roles, there is the Executive Director for Children and Young People, who is the statutory director for Children's Services; the Executive Director for Community Services who is the statutory director for Adult Services; the Head of Corporate Policy and Governance who is the officer responsible for the promotion of Scrutiny within the Council and the wider community, as required by section 9FB of the Local Government Act 2000; and a Director for Public Health, as required by section 30 of the Health and Social Care Act 2012.

The Constitution provides that decisions can only be made on the basis of full written reports incorporating service, corporate financial and legal implications. There is an agenda planning process to ensure these considerations are addressed in reports.

SECTION G: OFFICERS' ROLES

6. All staff will have job descriptions which clearly define their roles, responsibilities and remuneration.

National code dimension: 2.9

Detailed job descriptions are agreed before a post is confirmed within the workforce establishment. All employees are provided with a contract of employment which clearly sets out the terms and conditions of their employment including the job role, remuneration and its review. A copy of this contract, duly signed by the employee concerned, is retained on their personal file. Job roles and responsibilities are periodically reviewed if necessary, in consultation with the employee, to meet evolving service delivery needs. Any resulting changes in job descriptions/grading/pay are clearly documented with copies placed on the personal file.

Salaries are updated annually in line with increases in pay agreed nationally and such changes are clearly documented in payroll records and/or personal files as appropriate. Any other changes in pay made outside the annual pay award are also clearly documented and retained on payroll records/personal files.

The Council has produced and pays in accordance with its Pay Policy Statement as required by section 38 of the Localism Act 2011.

SECTION G: OFFICERS' ROLES

7. Council employees will support and advise all Members of the Authority irrespective of whether they are executive or non-executive Members.

National code dimension: 2.2, 2.8, 4.7, 5.4

It is a Constitutional requirement that senior Council Officers support all Members regardless of their position on either the executive or scrutiny function. Article 14.4, details the functions of the Head of Paid Service including responsibility for the provision of professional advice to all parties in the decision making process.

This is also detailed in functions of the Monitoring Officer (Article 14.5) and the Chief Finance Officer (Article 14.6).

The protocol for Member/ Officer relations, which is attached to the Codes of Conduct within the [Constitution](#), also clearly sets out the expectations of employees in terms of their support to Members.

Section H
Accountability and Community
Focus

SECTION H: Accountability and Community Focus

1. The Council will record its decisions in writing and make those written records and the reasons for a decision available to the public.

National code dimension: 4.2, 6.6

General

This requirement is addressed in the Constitution. Council decisions are published on the Lewisham Website.

The Council has made an explicit commitment to openness in all its dealings, subject only to the need to preserve confidentiality in specific circumstances where it is proper and appropriate to do so. This is clearly expressed in its [Constitution](#) at Article 1, which states the Council's aims and purposes and sets out the principles of decision making. These include "a presumption in favour of openness, unless there are compelling lawful reasons preventing the consideration of matters in public".

Mayor & Cabinet

The Constitution provides for the Mayor to make decisions in public at a meeting of the Mayor and Cabinet convened as if the meeting were taking the decision collectively. There are clear access to information provisions as set out in the Constitution at Part G, which are adhered to. These rules and the rest of the Constitution are on the Council's website, as are notices of [Council meetings](#) and decisions.

Decisions of the elected Mayor and Cabinet are informed by Officer reports which address all the issues that have to be considered in all Officer reports to the Executive or committee.

Freedom of Information

The provisions of the Freedom of Information Act 2000 are fully implemented across the organisation. A corporate team has been established to monitor and ensure compliance with this Act and all other related legislation. (Such as the Data Protection Act 1998 and the Environmental Information Regulations 2004).

Complex cases are initially handled by service representatives and where necessary escalated to the Corporate Complaints Casework and Information

Governance Team for investigation and response. The Council also has an independent review option (The Independent Adjudicator) for appropriate cases. The Council records all feedback on the corporate complaints management and feedback system which has led to an increased ability to record, report and identify trends. The system is due for replacement in 2017/18.

Records management

Modern.Gov is used for the content management and publication of agendas and other committee documents. This allows for all committee documents to appear on the public website at the same time as they are sent for manual printing.

A corporate information and records manager is responsible for the Council's strategic records management policy and appropriate records management systems in the Council which comply with ISO 15489, the international standard for records management and section 46, Records Management Code of Practice of Freedom of Information Act (2000). These policies and the practices to effectively comply with them continue to be developed.

SECTION H: Accountability and Community Focus

2. Decisions made by the Mayor or delegated by him will be available for scrutiny by the overview and scrutiny committee in accordance with the Council's Constitution.

National code dimension: 4.1

Decisions made by the Mayor may be subject to scrutiny at the Overview & Scrutiny Business Panel, which meets on a regular three-weekly cycle. This body has the power to exercise 'call-in' – to refer decisions made but not yet implemented to the Mayor for consideration. This power was used twice in 2016/17.

SECTION H: Accountability and Community Focus

3. The Mayor, Members of the Cabinet and Executive Directors may be required to give account for their performance to the relevant overview and scrutiny committee.

National code dimension: 3.5, 4.1

This requirement is addressed in the Constitution. The Council has made an

explicit commitment to openness in all its dealings, subject only to the need to preserve confidentiality in specific circumstances where it is proper and appropriate to do so. This is clearly expressed in its Constitution at Article 1, which states the Council's aims and purposes and sets out the principles of decision making. During 2016/17 various Cabinet Members attended select committee meetings to discuss and take questions on matters within their portfolios. This included, for example:

- Mayor – Sustainable Development Select Committee on 14 September 2016 and; Public Account Select Committee on 22 September 2016 and 25 January 2017 and Healthier Communities Select Committee on 1 March 2017
- Cabinet Member for Resources – Public Accounts Select Committee on 1 June 2016, 22 September 2016, 30 November 2016 and 25 January 2017.
- Cabinet Member for Policy and Performance – Public Accounts Select Committee on 1 June 2016 and; the Safer, Stronger Communities Select Committee on 19 October 2016, 28 November 2016
- Cabinet Member for Children and Young People - the Children and Young People Select Committee on 13 April 2016, 8 June 2016, 10 November 2016, 28 February 2017
- Cabinet Member for the Third Sector and Community – the Safer, Stronger Communities Select Committee on 11 May 2016, 19 October 2016
- Cabinet Member for Community Safety – the Safer, Stronger Communities Select Committee on 17 January 2017
- Cabinet Member for Social Care, Health and Older People – the Healthier Communities Select Committee on 13 September 2016, 18 October 2016 and 1 March 2017.

SECTION H: Accountability and Community Focus

4. The Council will publish performance targets and report on performance against those targets annually.

National code dimension: 1.4, 2.10, 5.7, 6.1, 6.9

Monthly Management Report

The Management Report provides a monthly update of progress in meeting the Council's priorities. The Report brings together performance indicators, risk entities, finance data and information on major projects into one overarching document. The Management Report is available on the Council website and is seen by the Mayor and Cabinet members on a quarterly basis. As part of a process of systematic review, the basket of indicators in the Management report is reviewed each year.

Comprehensive Equalities Scheme 2016-20

The [Comprehensive Equalities Scheme \(2016-20\)](#) (CES) sets out the Council's overarching equalities objectives and ensures that Lewisham is compliant with the three aims of the Public Sector Equality Duty which is part of the Equality Act 2010. A new CES was agreed by the Mayor in March 2016, the new was agreed by the Mayor. In March 2017, the Safer Stronger Communities Select Committee received their customary annual update which, for the first time, reported progress on CES objectives through the prism of five high-level strategies as follows:

- Safer Lewisham Plan
- Work & Skills Strategy
- Housing Strategy
- Health & Wellbeing Strategy
- Children & Young People's Plan

SECTION H: Accountability and Community Focus

5. The Council will adopt a performance management framework to analyse key performance indicators and make information about performance against those indicators publicly available periodically.

National code dimension: 1.5, 1.7, 2.10, 4.5, 5.7

A review of the Council's Corporate Performance Management Framework took place in the first quarter of 2016/17. The new framework further refines the Council's performance management approach in light of current and emerging challenges and demands. In particular, it responds to challenges highlighted in recent external inspection, for the need to improve data quality management arrangements. The Corporate Performance Management Framework was signed off by the Executive Management Team in May 2016. In 2016, the Council's performance management arrangements were further strengthened with the introduction of a new policy framework for data quality management as well as a review of the service planning framework.

The Management Report continues to be published on the Council's website enabling the public to see how the Council is performing against its key service measures, risk entities, project milestones and budget priorities. As set out above, the Management Report is reviewed each year, in response to business needs.

Complaints

The Council's Comments, Complaints and Compliments procedure is publicised on the website. The Codes of Conduct and the whistle blowing procedure are published on the Council's website and referenced in each edition of the Council's magazine Lewisham Life, which is delivered to all households. The Council has taken active steps to improve its complaints procedure and continues to use the Council's complaints management system, iCasework, to record complaints and feedback. The Council's website has been updated to provide comprehensive information relating to complaints. This also includes a fact sheet about the role of the Independent Adjudicator.

Where required staff receive training on complaints management. The training is designed to ensure that services learn from complaints, how to take preventative and corrective action and how to write an effective letter. The training will ensure there is a better understanding of the relationship between good complaints management and its impact on service development.

The Head of Public Services for Customer Services reports annually to the Standards Committee with an update on all non-statutory complaints for the Council. Complaints performance is considered annually by Mayor and Cabinet and the Public Account Select Committee. Further reports are considered at Directorate Management Team level.

Budget Strategy

In the [2015/16 Annual Audit Letter](#), which makes reference to financial issues, Grant Thornton concluded that '...we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016' and 'We gave an unqualified opinion on the Council's accounts on 26 September 2016, in advance of the 30 September 2016 national deadline... Although ours was not specifically an audit of controls, our observations during the audit were consistent with those of internal audit. We noted weaknesses in access, separation of duties and authorisation.'

The Medium Term Financial Strategy was reported to Mayor & Cabinet in July 2016 and the key assumptions were updated in the February budget report to Council. This set out that an estimated £32m of savings is required from 2018/19 to 2019/20 over and above savings already agreed.

The Lewisham Future Programme Board has been established to carry out cross-cutting and thematic reviews to deliver these savings. The Board meets regularly and is chaired by the Chief Executive and consists of all Executive Directors, plus the Head of Corporate Resources and the Head of Technology and Change.

The Council has built on its solid base by setting a balanced budget for 2017/18 in challenging circumstances. The scale of the challenge to deliver further savings in 2018/19 and beyond, remains substantial in the face of growing demand, economic uncertainty, and continuing public sector austerity. Elected Members and Officers will continue to work closely to ensure that the budget framework is appropriate to meet this challenge.

SECTION H: Accountability and Community Focus

6. The Council will put in place mechanisms to encourage participation in the affairs of the Council by individuals and groups from a broad cross section of the community, and will monitor their effectiveness.

National code dimension: 5.8, 6.5, 6.7, 6.8, 6.10

The Council has an open and outward facing culture that is clearly focussed on the needs of our residents and facilitated by an exceptionally strong and diverse approach to engagement and consultation.

Examples of the Council's consultation and engagement mechanisms include:

- **Local Assemblies** - which came into operation in spring 2008, with one assembly for each ward. Each is led by local Councillors, and supported by officers. Meetings of the local assembly are held locally and open to anyone living or working in the ward.
- **Young Mayor and Young Citizens Panel** - The Young Mayor is elected every year by their peers in schools and colleges across Lewisham. The Young Mayor works with a team of young advisors to represent young people and take part in consultations and contribute to policy discussions and decisions across the local authority and partners. A budget of £30,000 (reducing to £25,000 in 2016/17) each year is allocated to the Young Mayor project to be spent after consultation with young people in the borough. This

entails visiting and talking to young people in schools, youth club and voluntary organisations, developing a set of proposals and presenting them to the Mayor and Cabinet. The Young Citizens Panel works with the Young Mayor and advisors and is an open monthly meeting for any young people aged 11 -18 years, to come and discuss issues of interest and concern to them with relevant officers and representatives from the borough and partners. Young people can also participate in discussion through social media and the website.

- **uEngage** – this is an online system that allows anybody to search for all consultations by area of interest or ward. It also provides a platform for online engagement and e-petitions.
- **Overview and Scrutiny** - committees regularly encourage contributions and participation from local people in the scrutiny process.
- **Voluntary & Community Sector Children & Young People’s Forum** - Lewisham VCS Children and Young People's Forum is a network of over 400 voluntary and community organisations that work with children, young people and families in Lewisham, which meets approximately every 3 months. The Forum enables the sector to support and develop itself by sharing good practice and forging strong partnerships with statutory agencies which include feeding into key policy consultations. It also provides an opportunity for the sector to engage at a strategic level by electing representatives across the CYP Strategic Partnership Groups. Representatives’ feedback on discussions and gather views on specific issues at quarterly Forum meetings.
- **Stronger Communities Partnership Board** - Jointly chaired by the Cabinet Member for Third Sector and the Director of Voluntary Action Lewisham. The board seeks to increase levels of community participation and ensure diverse engagement with local and strategic levels of decision making.

To provide increased channels through which citizens are engaged, the Council continues to promote e-Participation through uEngage, an online engagement system. This system provides the platform through which citizens can respond to online consultations as well as set up and respond to e-Petitions, (a function which went live in April 2010).

The Council's engagement activity is overseen by the Strategy Performance and Communications Board. The Board is chaired by an Executive Director and provides a strategic steer on the communication and consultation agendas within the Council.

In 2016, oversight arrangements for the management of consultations across the Council were significantly strengthened as follows:

- consultation forward planners for each directorate avoiding duplication of effort and reducing the risk of “consultation fatigue” among residents.
- assignment of designated leads for each of the Council's four directorates. As part of this, leads will undertake a variety of roles and responsibilities including:
 - facilitating the planning and design of consultations, including use of new tools and technologies, so as to ensure a consistent and high quality approach to engagement and to advise on issues such as sample selection, and strategies for engaging with seldom heard groups.
 - developing capacity and skills across the Council to undertake high quality engagement, through sharing best practice examples.
 - facilitate the sharing findings from research and engagement activities and building a common understanding of the key messages and themes emerging from consultation activity.

A new Framework for Engagement was launched in 2016. The new framework sets out a strategic direction for consultation and engagement in Lewisham in light of new technologies, legislation, equalities issues, financial challenges and the changing demography of the borough. The revised Framework, is intended as a companion tool to the Council's Engagement Guidance, which was updated early in 2016. This Engagement Guidance is used by officers to plan and implement successful engagement activity. It provides the latest information and good practice to ensure that the proposed approach is as effective as possible.

SECTION H: Accountability and Community Focus

7. In consultation with the local community will develop a vision for the local community and other stakeholders and will ensure that that vision is expressed clearly and publicised.

National code dimension: 1.1, 1.2, 1.3, 2.11, 3.8, 6.3

'Shaping our Future' Lewisham's Sustainable Community Strategy is underpinned by our vision: 'Together we will make Lewisham the best place in London to live, work and learn.' [Lewisham's 2020 vision] and two key principles:

- reducing inequality – narrowing the gap in outcomes for citizens
- delivering together efficiently, effectively and equitably – ensuring that all citizens have appropriate access to and choice of high quality local services

and six priorities:

- Ambitious and achieving – where people are inspired and supported to fulfil their potential;
- Safer – where people feel safe and live free from crime, antisocial behaviour and abuse;
- Empowered and responsible – where people are actively involved in their local area and contribute to supportive communities;
- Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment;
- Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and well-being; and
- Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.

A strong track record in user focus and engagement

The Council hosts an interactive web-based system, which provides access to statistics about Lewisham and its residents.

Evidence of strong local engagement can be seen in the work of the Young Mayor who, alongside a team of young advisors, has played a key role in reviewing corporate strategies and plans. The introduction of Local Assemblies has given local people control over how money from the Assemblies Fund is spent in their ward. The development of housing transfer options also

demonstrates our commitment to give local people a say in the future management of their homes. One of our local providers, Phoenix Housing Trust, is managed by local residents and is the first Community Gateway in London.

Our joint vision is promoted on the Council's website and in partnership strategies which are also published on the website. The strategic planning framework for the Council sets out how the various strategies and service plans that exist are connected to each other.

SECTION H: Accountability and Community Focus

8. The Council will co-operate fully with external inspectors and respond positively to their findings, making arrangements to implement agreed actions effectively.

National code dimension: 1.5, 1.6, 2.10, 3.5

Corporate commitment

The Council receives an [Annual Audit Letter](#) from its external auditors, Grant Thornton, which focuses on the financial accounts, value for money and submissions to Government. The Council received unqualified opinions in all three areas. The Audit Findings Report is presented to Audit Panel.

A Full Joint Inspection of Youth Justice Work in Lewisham was conducted in September 2016. Overall, the multi-agency inspection, led by the Her Majesty's Inspection of Probation, found that youth offending services in Lewisham are 'unsatisfactory'. A report describing the outcomes, recommendations and action being taken to address the inspection's nine recommendations, was presented to the Safer, Stronger Communities Scrutiny Select Committee in January 2017.

Section I
Financial matters

SECTION I: FINANCIAL MATTERS

In addition to those financial matters raised elsewhere in this code, the Council will:

1. Put in place a process by which resources are allocated to priorities

The Council's corporate, financial and asset planning processes are integrated. This ensures that the policy implications of both capital and revenue resource allocation decisions are fully considered during the budget setting process.

The annual budget report for 2016/17 went to Mayor and Cabinet on 10 February 2016, and subsequently to Council on 24 February 2016. As in previous years, all budget savings proposals were analysed for their impact on each of the ten priorities; they were also assessed for their equalities impact in line with equality legislation. Conscious and explicit policy choices were made during this process to allocate resources to priorities and respond to identified risks and pressures.

In looking forward, the annual budget report for 2017/18 was reported to Mayor & Cabinet on 8 February 2017 and subsequently to Council on 22 February 2017.

SECTION I: FINANCIAL MATTERS

2. Adopt a financial reporting process to ensure that Members receive financial monitoring reports at appropriate intervals

National code dimension: 1.4, 1.7, 6.9

Monitoring reports are produced monthly and are reported to the Executive Management Team. These are also reported to Public Accounts Select Committee and Mayor and Cabinet every quarter. Last year's in-year forecasts were broadly consistent with the year-end out-turns and the rolling forecasts used throughout the year supported monitoring of the implementation of savings and the efficient closure of the accounts and reporting of those to Members.

SECTION I: FINANCIAL MATTERS

3. Maintain an objective and professional relationship with external auditors

Grant Thornton are the Council's external auditors. The feedback from Grant

Thornton on the audit of 2015/16 financial statements, including the pension fund, provided unqualified opinions on both their financial and value for money work and highlighted some areas for improvement. From their reporting of the 2015/16 audit findings to Council, Grant Thornton stated that “We are continuing to work with the Council management as they look to improve the accounts closedown process in line with the earlier accounts deadlines, which come into force in 2018.

We will also continue to work with the Council as it looks to improve its financial control environment and achieve greater efficiencies and financial sustainability through service transformation.” The planning and interim work for the 2016/17 financial statements is underway and will be completed and reported to the Internal Control Board and Audit Panel in March 2016.

The intention, on completion of the planning work, is to complete the closing and preparation of the draft financial statements for audit by the end of May. This will enable the audit to be undertaken in June and the audit completion work in July, rather than by the end of September.

SECTION I: FINANCIAL MATTERS

4. Publish an annual statement of accounts in a timely manner

National code dimension: 1.4, 6.9

The last Statement of Accounts was approved by Full Council in September 2016 in line with the requirements of the statutory regulations

Section J
Risk Management

SECTION J: Risk Management

1. The Council will put in place a robust system for identifying and evaluating significant risks to the authority

National code dimension: 4.4, 4.8

The Council's Risk Management Strategy, revised at the start of 2014/15, has been followed. The strategy was reviewed by the Executive Management Team (EMT) and Internal Control Board (ICB) in 2016/17 and the risk register structure updates, streamlined and the option for quarterly Directorate exception and change reporting, rather than full register updates, introduced. In accordance with the Strategy, the main risk reporting mechanism continues to be by way of risks in service plans at the Service level, and risk registers maintained at the Directorate and Corporate levels. . Revised templates and guidance were agreed by the Internal Control Board for use in 2016/17.

An introduction/refresher risk management e-learning training course is available to support managers and staff identify and manage risk. The registers record significant risks and score them in terms of impact and likelihood. Target scores are set, defining the Council's risk appetite, and performance against target is monitored. The Directorate registers are considered at Directorate Management Team (DMT) meetings prior to further consolidation and are then subject to challenge at Head of Service and EMT meetings before being reported to the ICB. The Corporate Risk Register is monitored, updated and reported quarterly to ICB along with the Directorate risk registers.

The ICB comprises the Chief Executive, all Executive Directors, Head of Law, Group Manager Insurance and Risk, with the Head of Corporate Resources reporting to it. It is chaired by an independent 'non executive' - Bill Roots, a former London local authority Chief Executive.

Management of risk is embedded in all corporate management processes and a comprehensive approach, including risk management, is followed for all major projects and programmes. And reporting on risk forms a key part of the Management Report.

SECTION J: Risk Management

2. The Council will put in place effective risk management systems, including systems of internal control as well as effective arrangements for an objective review of risk management and internal control

National code dimension: 4.4, 4.8

The 2016/17 annual audit plan was delivered by a combination of internal resources, key financial system audits by Mazars via the London Borough of Croydon contract framework, and the London Borough Greenwich for school audits via a service level agreement. Internal Audit objectively reviews the Council's risk management framework, assessing its effectiveness and reporting its findings on risk management to the Internal Control Board and the Audit Panel. The Council's approach to internal audit is set out in the Internal Audit Charter, approved by the Audit Panel.

The Council's governance, risk and control management arrangements are subject to annual independent review by Grant Thornton, the Council's external auditors. The Council continues to build on the progress already made to ensure that risk management is fully embedded within all directorates' service planning and performance management processes.

In 2015/16 the internal audit arrangements were subject to an at least five yearly independent review and found to be compliant with the Public Sector Internal Audit Standards. This is reported to and monitored by the Audit Panel.

SECTION J: Risk Management

3. Annually the Council will publish an objective balanced and understandable statement and assessment of the authority's risk management mechanisms and their effectiveness.

National code dimension: 4.8

The Annual Governance Statement (AGS) was published with the Statement of Accounts in September 2016, and comments, amongst other things, on the Council's internal control environment and risk management framework, a review of their effectiveness and areas for improvement. The AGS action plan is monitored by the Annual Governance Statement Working Group throughout the

year and progress on actions arising from the 2015/16 AGS and plans for delivering the 2016/17 AGS have been reported to the Internal Control Board.

Section K
Partnership Governance

SECTION K: Partnership Governance

1. The Council will ensure that it has robust and effective mechanisms to ensure that its partnerships are effectively governed, and that the risks involved in partnership working are accurately identified and appropriately managed.

National code dimension: 2.12, 2.13

The London Boroughs of Lewisham, Lambeth and Southwark have established a S101 Joint Committee to facilitate joint working between the three boroughs under the “Better Place Partnership” brand. As the Joint Committee is executive in nature, every member appointed to the Joint Committee is a member of one of the local authorities executive. The Joint Committee is open to the public and is subject to overview and scrutiny requirements as set out under s9 of the Local Government Act 2000 and to call in. All three boroughs have appropriate scrutiny arrangements in place.

Under the Health and Social Care Act 2012 local authorities were required to have established a Health and Wellbeing Board as a committee by 1 April 2013. The Health and Wellbeing Board brings together elected members and strategic partners to identify local health challenges and leads on the activity necessary to address them. The Board’s responsibilities include:

- Preparing an assessment of relevant needs (the Joint Strategic Needs Assessment);
- Preparing and publish a strategy to meet the needs identified in the Joint Strategic Needs Assessment;
- The Board also has a legal duty to encourage integrated working between health and social care services.

Lewisham’s Health and Wellbeing Board membership includes:

- Mayor of Lewisham
- Cabinet Member for Community Services
- Executive Director for Community Services
- Executive Director for Children & Young People
- Head of Joint Commissioning, Community Services
- Head of Commissioning, Strategy and Performance, Children & Young People

- Director of Public Health
- Chief Executive of Lewisham Healthcare Trust
- Representatives of South London & Maudsley NHS Foundation Trust
- Representative from the Lewisham Clinical Commissioning Group
- Chair of Lewisham Local Involvement Network
- Director of Voluntary Action Lewisham

Section L
Review

SECTION L: Review

1. The Council will monitor compliance with this Code annually. The Head of Paid Service, Chief Finance Officer and the Monitoring Officer will present a joint report to the Standards Committee on the extent of compliance, and the Council's annual statement of accounts will contain a statement explaining the extent of compliance. The Officers will also present any proposals for amendment to the Code for consideration.

This Report is submitted as evidence of compliance with the review procedure as stated above.