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**Code of Corporate
Governance**

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1. Introduction

- 1.1. YPO, established constitutionally as a Joint Committee of Local Authorities in 1974, operates under the aegis of the Local Authority (Goods and Services) Act 1970. The largest formally constituted Local Authority purchasing consortium in the UK, YPO is governed by a Management Committee made up of two elected representatives (councillors) from each of its 13 public sector founder member authorities, which are:

Barnsley Metropolitan Borough Council
North Yorkshire County Council
Bolton Council
Rotherham Metropolitan Borough Council
City of Bradford Metropolitan District Council
St Helens Council
Calderdale Council
Wakefield Council
Doncaster Metropolitan Borough Council
Wigan Council
Kirklees Council
City of York Council
Knowsley Council

- 1.2 The organisation trades extensively outside the membership area and we are constantly establishing partnerships with more public sector authorities to help achieve efficiency savings for all by working together on common areas. As at December 2015 our expanding list of associate members includes:

Birmingham City Council
Blackpool Borough Council
Bury Metropolitan Borough Council
Cheshire East Council
Cumbria County Council
Durham County Council
East Riding of Yorkshire Council
Fylde City Council
Halton Borough Council
Hull City Council
Kettering Borough Council
Lancaster City Council
Lancashire Fire & Rescue Service
Lancashire Police
Leeds City Council
London Borough of Brent
London Borough of Harrow
London Borough of Hillingdon
Liverpool City Council
Malvern Hills District Council
Manchester City Council
Merseyside Fire & Rescue Service
North East Lincolnshire Council
North Lincolnshire Council
Northumberland County Council

Rochdale Metropolitan Borough Council
Sheffield City Council
South Yorkshire Fire and Rescue
South Yorkshire Police
Staffordshire County Council
Stockport Metropolitan Borough Council
Tameside Council
Trafford Metropolitan Borough Council
Walsall Council
Warrington Borough Council
West Midlands Fire & Rescue Service
West Yorkshire Fire and Rescue Service
West Yorkshire Police
Wiltshire Fire & Rescue Service
Wyre Council
Wyre Forest District Council

- 1.3 YPO is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that these funds are used economically, efficiently and effectively. YPO is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Organisation's functions which include arrangements for the management of risk.
- 1.4 In order to demonstrate good corporate governance YPO has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The purpose of this document is to set out this code.

2. Corporate Governance

2.1. What is good Corporate Governance

Good Corporate Governance will demonstrate to the public and other stakeholders that YPO has its own house in order and is approaching the challenges it faces in a corporate and strategic way. Governance is about how YPO ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Corporate Governance comprises the systems and processes and cultures and values by which YPO is directed and controlled.

2.2. The Local Code of Governance

A joint Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) guidance note “Delivering Good Governance in Local Government” provides a framework, intended to be used as best practice for developing and maintaining a code of corporate governance. Whilst corporate governance is a holistic concept it has been mapped out in the guidance note using six core principles.

The YPO local Code of Governance has been developed in accordance with, and is consistent with, the Delivering Good Governance in Local Government Framework.

2.3. Core Governance Principles of YPO

Principle 1: Focusing on the purpose of the Joint Committee and on outcomes for our customers and stakeholders and creating and implementing a vision for the Joint Committee.

Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

Principle 3: Promoting values for the Joint Committee and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Principle 5: Developing the capacity and capability of Members and Officers to be effective.

Principle 6: Engaging with customers and member authorities to ensure robust public accountability.

3. Applying the Core Principles of Good Governance

The six core principles each have a number of supporting principles, which in turn have a range of specific requirements that apply across YPO's business:

Core Principle 1

Focusing on the purpose of the Joint Committee and on outcomes for our customers and stakeholders and creating and implementing a vision for the Joint Committee.

Supporting Principles	YPO commits itself to:
1.1 Exercising strategic leadership by developing and clearly communicating YPO's purpose and vision	(a) Develop and promote the purpose and vision.
	(b) Review on a regular basis the vision for delivering excellent customer service and the implications for our governance arrangements.
	(c) Publish an annual report (or similar documents) on a timely basis to communicate YPO's activities and achievements, its financial position and performance.
1.2 Ensuring that customers receive a high quality of service whether directly, or through framework provision	(a) Decide how the quality of service for customers is to be measured and make sure that the information needed to review service quality effectively and regularly is available.
	(b) Put in place effective arrangements to identify and deal with failure in service delivery.
1.3 Ensuring that YPO makes best use of resources and that investment in YPO gives excellent value for money.	(a) Decide how value for money is to be measured and make sure that the Management Committee has the information needed to review value for money and performance effectively.
	(b) Measure the environmental impact of policies, plans and decisions.

Core Principle 2

Members and officers working together to achieve a common purpose with clearly defined functions and roles

Supporting Principles	YPO commits itself to:
<p>2.1 Ensuring effective leadership throughout YPO and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.</p>	<p>(a) Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and YPO's approach towards putting this into practice.</p>
	<p>(b) Set out a clear statement of the respective roles and responsibilities of other YPO Members and of Senior Officers.</p>
<p>2.2 Ensuring that a constructive working relationship exists between Elected Members and Officers and that the responsibilities of Members and Officers are carried out to a high standard.</p>	<p>(a) Determine a scheme of delegation and reserve powers within the Management Agreement including a formal schedule of those matters specifically reserved for collective decision of the Management Committee, taking account of relevant legislation, and ensure that it is monitored and updated when required.</p>
	<p>(b) Make the Managing Director responsible and accountable to the Chair of the Management Committee for all aspects of operational management.</p>
	<p>(c) Develop protocols to ensure that the Chair of the Management Committee and Managing Director negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.</p>
	<p>(d) Make a Senior Officer of the lead authority (the S151 Officer) and a designated Director within YPO (Managing Director or delegated Officer) responsible to the Management Committee for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.</p>

Supporting Principles	YPO commits itself to:
	(e) Make a Senior Officer of the lead authority (usually the Monitoring Officer) responsible to the Management Committee for ensuring that agreed procedures are followed and that all applicable Statutes and Regulations are complied with.
2.3 Ensuring relationships between YPO and the Lead Authority are clear so that each knows what to expect of the other.	(a) Develop protocols to ensure effective communication between Lead Authority Members and Officers and YPO Members and Officers in their respective roles.
	(b) Set out the terms and conditions for remuneration of Members and Officers and an effective structure for managing the process, including an effective Remuneration Panel (if applicable).
	(c) Ensure that effective mechanisms exist to monitor service delivery.

Core Principle 3

Promoting values for the Joint Committee and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Supporting Principles	YPO commits itself to:
3.1 Ensuring YPO Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	<p>(a) Ensure that YPO's leadership sets a tone for the organisation by creating a climate of openness, support and respect.</p> <p>(b) Ensure that standards of conduct and personal behaviour expected of Members and Officers, and work between Members, Officers, its partners and customers are defined and communicated through Codes of Conduct and Protocols.</p> <p>(c) Put in place arrangements to ensure that Elected Members and employees of YPO are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.</p>
3.2 Ensuring that organisational values are put into practice and are effective.	<p>(a) Develop and maintain shared values including leadership values for both the organisation and Officers reflecting customer expectations, and communicate these with Members, Officers and customers.</p> <p>(b) Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</p> <p>(c) Develop and maintain an effective standards framework.</p> <p>(d) Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the organisation.</p> <p>(e) In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behavior both individually and collectively.</p>

Core Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Supporting Principles	YPO commits itself to:
<p>4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p>	<p>(a) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall.</p>
	<p>(b) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.</p>
	<p>(c) Put in place arrangements to safeguard Members and Officers against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.</p>
	<p>(d) Develop and maintain an effective Audit Committee (or equivalent), which is independent of the executive and scrutiny functions, or make other appropriate arrangements for the discharge of the functions of such a Committee.</p>
	<p>(e) Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.</p>
<p>4.2 Having good-quality information, advice and support to ensure that services are delivered effectively and are what the customer wants/needs.</p>	<p>(a) Ensure that those making decisions for YPO are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.</p>
	<p>(b) Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.</p>

Supporting Principles	YPO commits itself to:
4.3 Ensuring that an effective risk management system is in place.	(a) Ensure that risk management is embedded into the culture of YPO, with Members and managers at all levels recognising that risk management is part of their jobs.
	(b) Ensure that effective arrangements for whistle blowing are in place to which Members, staff and all those contracting with or appointed by YPO have access.
4.4 Using their legal powers established under the Joint Committee to the full benefit of stakeholders.	(a) Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine, but also strive to utilise their powers to the full benefit of their stakeholders.
	(b) Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on YPO by public law.
	(c) Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes.

Core Principle 5

Developing the capacity and capability of Members and Officers to be effective

Supporting Principles	YPO commits itself to:
5.1 Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles.	(a) Provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis.
5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.	(a) Assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively.
	(b) Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
	(c) Ensure that effective arrangements are in place for reviewing the performance of the Executive as a whole and of individual Members and agreeing an action plan, which might, for example, aim to address any training or development needs.
5.3 Encouraging new talent for membership of YPO so that best use can be made of individuals' skills and resources in balancing continuity and renewal.	(a) Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the organisation.
	(b) Ensure that career structures are in place for Members and Officers to encourage participation and development.

Core Principle 6

Engaging with customers and member authorities to ensure robust public accountability.

Supporting Principles	YPO commits itself to:
6.1 Exercising leadership through a robust scrutiny function, which effectively engages customers and stakeholders, including partnerships, and develops constructive accountability relationships.	(a) Make clear to themselves, all staff and their customers to whom they are accountable and for what.
	(b) Produce an annual report.
6.2 Taking an active and planned approach to dialogue with and accountability to customers and elected members	(a) Ensure clear channels of communication are in place with customers and other stakeholders, and put in place monitoring arrangements and ensure they operate effectively.
	(b) Hold meetings in public unless there are good reasons for confidentiality.
	(c) On an annual basis, publish a performance plan giving information on YPO's, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.
	(d) Ensure that YPO as a whole is open and accessible and ensure that it has made a commitment to openness and transparency in all its dealings subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff.	(a) Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.

4. Annual Review and Reporting

- 4.1. Each year YPO will carry out a review of the effectiveness of our system of internal control and our governance arrangements in accordance with the Accounts & Audit Regulations 2015.
- 4.2. The purpose of the review is to identify the extent to which we comply with this Code of Corporate Governance, to provide assurance that our governance arrangements are adequate and operating effectively, or to identify action, which is planned to ensure effective governance in the future.
- 4.2 The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Management Committee and Managing Director, in accordance with the CIPFA SOLACE 'Delivering Good Governance in Local Government: Framework 2007' and 'Addendum 2012'. The process of preparing the statement will itself add value to the effectiveness of the corporate governance and internal control framework.
- 4.3 The Annual Governance Statement will be submitted to the Audit Sub-Committee for consideration and review and will be published with YPO's annual Statement of Accounts

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