

CORPORATE GOVERNANCE STRATEGY

2023 to 2028

Introduction



Lawrence Fitzpatrick
Leader of the Council

The Corporate Governance Strategy sets out the key outcomes, activities and behaviours that the council will pursue in support of our corporate priorities and a culture of continuous improvement

West Lothian Council has long been known as one of the top performing local authorities in the United Kingdom and has been recognised as an outstanding performer across all sectors in the UK and Europe in prestigious external assessment and benchmarking exercises.

The Corporate Governance Strategy is designed to support transformation and growth in a council that is working to improve lives and make West Lothian a great place to live, work, learn and do business.

The strategy reaffirms our commitment to the principles of good corporate governance which underpin the council's processes, culture and values, which require the council to engage with and be accountable to the West Lothian community, and which ensure the council acts in the public interest in achieving its objectives.



Graham Hope
Chief Executive

It sets out how we will strengthen compliance with those principles, and adapt them to allow effective, agile approaches to achieving the council's objectives whilst ensuring sound governance and clarity and excellence of processes.

By the end of the strategy, we hope to have demonstrated consistent and continuous adherence to good corporate governance and its contribution to the achievement of the council's objectives, delivery of its priorities, and fulfilment of the Corporate Plan.

Contents

1. Strategy Purpose
2. Strategy Overview
3. Supporting the Corporate Priorities
4. Operating Context
5. Outcomes
6. Transformation and Performance – Actions (2023/28)

I. Strategy Purpose

Scope of the Strategy

The Corporate Governance Strategy is a corporate strategy and adopted across the council. It has been subject to consultation with the key stakeholders and approval by Council Executive.

The strategy covers the period 2023/24 to 2027/28, which is also the duration of the Council's Corporate Plan. The Corporate Governance Strategy has been developed in support of this plan and the other key plans and strategies.

Outcomes

The Corporate Governance Strategy is part of a suite of strategies that are helping the council to transform and improve in a smart, flexible and efficient way.

There are four outcomes in the Corporate Governance Strategy and these are:

1. Corporate governance arrangements which enable the council to react to future challenges and changes in internal and external circumstances.
2. Decision-making structures which direct resources to agreed priorities, achieve desired outcomes and deliver best value.
3. Corporate processes which ensure compliance with the law and adherence to ethical standards.
4. Risk management and internal control processes which ensure risks to council objectives are effectively identified, assessed and managed.

Reporting on Progress

The Corporate Governance Strategy will be progressed under the direction of a corporate board. An annual update on progress in the outcomes and actions will be reported to the Corporate Policy and Resources Policy Development and Scrutiny Panel and published on the council website. Progress will also be reported to the Governance & Risk Committee as part of its annual cycle of corporate governance reporting and scrutiny. An end of strategy report will also be published in 2028.

Purpose

The purpose of this strategy is to maintain high standards of good corporate governance and maintain compliance with the Delivering Good Governance Framework and the council's Local Code of Corporate Governance.

2. Strategy Overview

	Strategy Outcome 1	Strategy Outcome 2	Strategy Outcome 3	Strategy Outcome 4
Description	1. Corporate governance arrangements which enable the council to react to future challenges and changes in internal and external circumstances.	2. Decision-making structures which direct resources to agreed priorities, achieve desired outcomes and deliver best value.	3. Corporate processes which ensure compliance with the law and adherence to ethical standards.	4. Risk management and internal control processes which ensure risks to council objectives are effectively identified, assessed and managed.
Challenge	Rigid application of systems and financial and staffing constraints result in a less effective response to future challenges.	Transformational change within the council requires a more agile approach to decision making.	There is a reduced capacity within the council to effectively respond to legislative and regulatory requirements.	The pace of change is such that new or evolving risks are not readily identified and mitigated.
Opportunity	Governance arrangements for officers and elected members which are proportionate and flexible.	Decision making processes focus on what is important.	Compliance processes are proportionate to the risk.	More effective risk management arrangements at a corporate and service level.
Action	Regular review of systems, procedures and controls	Regular review of decision-making structures.	Review of significant strategies, policies and procedures including information governance arrangements and performance management procedures.	Review of corporate risk management arrangements.

	Strategy Outcome 1	Strategy Outcome 2	Strategy Outcome 3	Strategy Outcome 4
Measures	Systems and policies for both officers and members are fit for purpose.	Annual governance reporting demonstrates continuous review and improvement of decision-making structures and procedures.	Annual compliance statements evidence effective control and scrutiny arrangements.	Annual review of the system of internal control and risk management annual report show arrangements to be satisfactory.

3. Supporting the Corporate Priorities

The new Corporate Plan and Budget Strategy were created to address the most pressing issues and challenges for the council in the next five years, ensuring that the council meets its statutory obligations sustainably and protects the most vital and impactful services for local people.

Corporate Priorities

The council has identified five priorities for the period 2023/24 to 2027/28. These reflect the areas that are the most important for the community and improving the quality of life for all living, working and visiting West Lothian.

The priorities have been set through consultation with our community, staff and partner agencies and identify and address the most pronounced, collective needs of the local area. They will also provide a focus for decision making and resource prioritisation in the next five years, ensuring that we target our efforts towards the issues that matter most to the community.

In the next five years, the council will focus on achieving outcomes in each priority.



The Corporate Governance Strategy will support delivery of council priorities by ensuring that appropriate and effective corporate governance arrangements are in place.

Underpinning the Corporate Plan and its priorities are three corporate values – Caring and Compassionate; Open, Honest and Accountable; Collaborative, Inclusive and Adaptive.

Being open, honest and accountable is a value built into the Corporate Governance Strategy through its commitment to the principles of good corporate governance. Those principles call for the council to behave with integrity, to apply ethical standards and to respect the rule of law. They require openness, comprehensive stakeholder engagement and effective accountability through good practice in transparency, reporting and scrutiny.

4. Operating Context

The new Corporate Plan and Budget Strategy were created to address the most pressing issues and challenges for the council in the next five years, ensuring that the council meets its statutory obligations sustainably and protects the most vital and impactful services for local people.

Looking ahead, 2023/24 to 2027/28 is expected to bring fundamental change to council services as we seek to transform council services to continue to meet customer needs, take advantage of opportunities, such as new technology, and bridge a funding gap of £47.6 million.

This strategy will help the organisation develop the capabilities and knowledge to transform the council for the future. The following factors reflect the challenges and opportunities that the council is likely to face and the strategy will address.

Societal Trends and Customer Needs

Customer service trends and importantly, customer expectations are likely to continue to evolve in the next five years. Change is likely to be influenced by wider societal trends and the innovations and market disruptions that occur in other sectors, in addition to the changing needs in our local area.

The speed at which external circumstances and customers' needs change requires that priorities are adjusted, proactive measures are quickly developed and that speedy decisions are made. Systems, procedures and structures require to facilitate those requirements, not hinder them.

Economic and Market factors

The financial context is challenging and will require changes that will fundamentally impact upon the future composition of council services and the services that are provided to customers in the next five years.

Economic and market factors will have to be closely monitored for the duration of this strategy, with steps taking to mitigate their impact on council services, where possible.

Volatile economic changes require effective processes for the identification and management of risk and uncertainty.

Demographic Diversity

We serve a broad spectrum of people in growing and vibrant towns and the diversity of our service users, in all its forms, is ever increasing.

It is vital that we continue to facilitate opportunities for the local community to get involved in decision making processes and work to increase local democracy and representation.

Technology, Automation and the Demand for Technical Skills

The introduction of automated processes, new technology and innovative ways of working, including the potential future use of Artificial Intelligence, require the early identification of risks, respect for individual rights and effective but proportionate controls of their use.

Legislation and Regulation

The volume and complexity of legislation from both tiers of national government, and the increasingly short period for consultation, call for an early identification of impacts on the council and its community and a prompt reaction where new duties and powers are devolved to the councils. Intended legislation arising from the Scottish Government's Local Governance Review will present significant challenges to existing decision-making arrangements.

Scarcity of Resources

Increasing pressure on council staff arising from scarcity of resources and the need to work in different ways may lead to compliance with corporate governance standards being relegated in terms of priority.

5. Outcomes

The purpose of this strategy is to maintain high standards of good corporate governance and maintain compliance with the Delivering Good Governance Framework and the council’s Local Code of Corporate Governance.

The strategy has four outcomes, that we will work to advance in the years covered by the Corporate Plan.

The Council will monitor our success in each objective with appropriate performance indicators and targets set to encourage performance improvement.

Outcome 1

Corporate governance arrangements which enable the council to react to future challenges and changes in internal and external circumstances.

The council will:

- ▼ Operate a Local Code of Corporate Governance and implement the CIPFA/SOLACE Good Governance Framework (2016).
- ▼ Ensure information governance arrangements facilitate service delivery, and support the use of data as an asset in the council’s transformational change programme.

Performance will be monitored in this objective through:

Key Output	Key Indicator	Target
Local Code of Corporate Governance refreshed annually	Percentage of “red” standards in the Local Code of Corporate Governance	0%
Conduct termly reviews of significant corporate strategies, policies and procedures	Compliance each year with the agreed programme of termly reviews of significant corporate strategies, policies and procedures	100%
Information governance arrangements which protect assets and facilitate transformational change	“Green” status of elements in records management plan	100%
Wider-scope part of annual external audit report and best value thematic review	Number of relevant actions identified in annual audit reports	Nil

Outcome 2

Decision-making structures which direct resources to agreed priorities, to achieve desired outcomes and to deliver best value.

The council will:

- ▼ Operate decision-making arrangements for both officers and elected members which are open and transparent, agile, responsive to communities and stakeholders, enable the council to achieve its objectives, and ensure responsibility and accountability.
- ▼ Operate scrutiny arrangements at an officer and member level which meet statutory requirements and which allow for oversight and discussion of, and challenge to, council policy, procedures and processes.
- ▼ Maintain effective performance management arrangements under the Performance and Transformation Strategy which ensure the identification of outcomes, appropriate ways to measure them and effective scrutiny and reporting of performance.
- ▼ Ensure that prior to taking a decision the financial implications are assessed, reported and considered.

Performance will be monitored in this objective through:

Key Output	Key Indicator	Target
Local Code of Corporate Governance refreshed annually	Percentage of standards in sections B, C and D of the Local Code of Corporate Governance, which relate to decision making, which are green	82%
Positive Audit Committee and Governance & Risk Committee self-assessments	% of responses which are agree or strongly agree	90%
Effective performance management arrangements contributing to achievement of best value	Percentage of performance reporting meeting the corporate standards (12 evaluation factors)	93%
Wider-scope part of annual external audit report and best value thematic review	Number of relevant actions identified in annual audit reports	Nil

Outcome 3

Corporate processes which ensure compliance with the law and adherence to ethical standards.

The council will:

- ▼ Comply with the law, external regulators, and internal priorities, policies and procedures.
- ▼ Comply corporately with the statutory best value duty and the council's Best Value Framework.
- ▼ Ensure adherence by officers and elected members to the highest standards of ethical conduct, through effective Codes of Conduct and whistleblowing procedures.
- ▼ Comply with the requirements of the Health & Safety at Work Act 1974 and associated regulations and guidance
- ▼ Operate financial management arrangements which conform to legislation, relevant accounting standards, guidance and good practice.

Performance will be monitored in this objective through:

Key Output	Key Indicator	Target
Annual compliance statements	Number of breaches of the law and failures in compliance which have or will have a material or significant impact on the operations of the council	0
Health and Safety	Number of prosecutions in relation to health and safety	0
Compliance with Data Protection Legislation	Number of data breaches referred to the Information Commissioner's Office (ICO) in the financial year	0
Effective financial planning, budget-setting and budget-monitoring	Compliance with PDSP, committee and council reporting and monitoring requirements of Financial Regulations	100%

Outcome 4

Risk management and internal control processes which ensure risks to council objectives are effectively identified, assessed and managed.

The council will:

- ▼ Operate robust corporate risk management arrangements for the identification and assessment of risk and their scrutiny by elected members.
- ▼ Ensure council information assets are held and transferred securely, are protected from cyber-attack, are readily retrievable and appropriately backed up.
- ▼ Ensure that effective arrangements are in place for the management of health and safety
- ▼ Ensure that if current introduction of automated processes move towards the introduction of artificial intelligence (AI) then its use will be transparent, correct, free from bias, and subject to appropriate and effective control and oversight.

Performance will be monitored in this objective through:

Key Output	Key Indicator	Target
Local Code of Corporate Governance annually refreshed	Percentage of standards in section F of the Local Code of Corporate Governance, which relates to managing risks and performance through robust internal control and strong public financial management, which are green	93%
Effective cyber security arrangements	External annual accreditation from industry approved third party contractor under a recognised cyber security scheme	100%
Health and Safety	Annual health and safety plans in place for each service that are reviewed and monitored	100%
Risk register and risk assessment	Percentage of risks subject to an annual documented risk assessment	100%

6. Performance and Transformation– Actions

Senior officers and their services will undertake a number of actions in support of the Council’s Corporate Plan, Budget Strategy and other Council strategies. We will focus on actions that will improve the customer experience, increase the efficiency and effectiveness of services and advance or use of technologies that will increase choice and/or reduce costs.

Key This action should have the following intended impact:



Improve services for customers



Improve performance and/or process efficiency












Reduce the cost of delivering our services



Increase the use of technology

KH consider health and safety references

Action	Description	Planned Outcome	Responsible Officer	Start	End	Links
Information Governance	Review of the information governance framework and implementation of agreed action plan.	Effective information governance minimising risk of data breach.	Head of Corporate Services	April 2023	June 2026	Outcome 1 
Corporate Governance	Review of key governance policies and procedures.	Effective governance arrangements and responsive decision making.	Governance Manager	June 2023	June 2028	Outcome 1 
Health and Safety	Review of key health and safety policies and procedures.	Effective health and safety policies and procedures minimising risk to staff, customers and the public.	Health and Safety Manager	April 2024	December 2025	Outcome 3 
Health and Safety	Annual health and safety plans in place to reflect the risk profile of the organisation.	Effective identification of risks and planning of health and safety activities.	Health and Safety Manager	April 2023	March 2028	Outcome 4 

Action	Description	Planned Outcome	Responsible Officer	Start	End	Links
Risk Management	Define a risk appetite for the council.	More effective and agile decision making.	Audit, Risk and Counter Fraud Manager	September 2023	March 2024	Outcome 4 
Risk Management and Business Continuity	Review of key risk management and business continuity policies and procedures.	Effective risk management arrangements.	Audit, Risk and Counter Fraud Manager	April 2025	March 2026	Outcome 4 
Business Continuity Planning	Conduct an annual desk top test of a business continuity topic assessed as high risk.	Effective response to an incident.	Depute Chief Executive (Corporate Housing and Operational Services)	April 2023	March 2028	Outcome 4 
Financial planning and control	Financial Regulations reviewed and updated to assist achievement of corporate objectives.	Effective financial planning, budget-setting and budget-monitoring arrangements.	Head of Finance & Property Services	April 2026	September 2026	Outcome 1 and 3 
Digital transformation	Policies and procedures ensure control of the expanded use of technology and AI.	Compliance with legislation, statutory guidance and governance principles	Depute Chief Executive (Corporate Housing and Operational Services)	October 2023	April 2024	Outcome 3 and 4 
Performance management	Review of corporate performance management arrangements	Systems procedures and controls which secure best value and demonstrate delivery of the Corporate Plan outcomes	Improvement Manager	January 2024	March 2026	Outcome 3 