London Borough of Lewisham

Local Code of Corporate Governance

1. Introduction

1.1. The London Borough of Lewisham is responsible for ensuring that its business is conducted in accordance with the law, proper standards, and the principles of good governance.

1.2. This Local Code of Corporate Governance sets out the principles, arrangements and expectations through which the Council directs and controls its functions, accounts to residents and stakeholders, manages risk, safeguards public money, and secures the effective, efficient and lawful delivery of its priorities.

1.3. The Code reflects the principles in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, together with the May 2025 Addendum on the annual review of governance and the Annual Governance Statement. The Framework requires local authorities to develop and maintain a local code of governance, test their governance arrangements against it, and report publicly each year through the Annual Governance Statement.

1.4. The Code also supports the Council's statutory obligations under the Accounts and Audit Regulations 2015, which require the Council each financial year to review the effectiveness of its system of internal control and prepare an Annual Governance Statement.

1.5. The Code should be read alongside the Council's Constitution, Financial Regulations, Contract Procedure Rules, Member Code of Conduct, Officer Code of Conduct, Scheme of Delegation, risk management framework, corporate planning framework, Annual Governance Statement, and other key governance policies.

2. Purpose of the Code

2.1. The purpose of this Code is to:

- define the Council's local governance framework;
- explain how the Council applies the principles of good governance;
- support lawful, transparent, accountable and effective decision-making;
- strengthen the Council's arrangements for risk management, internal control and assurance;
- support the preparation of the Annual Governance Statement;
- ensure that governance arrangements remain proportionate, current and aligned with the Council's Constitution and strategic priorities;
- promote ethical standards, equality, inclusion, sustainability and value for money; and
- provide a clear basis for annual review, challenge and improvement.

3. Definition of Corporate Governance

3.1. Corporate governance is the framework of culture, values, systems, processes and behaviours by which the Council is directed, controlled and held to account.

3.2. Good governance means achieving the intended outcomes for residents and communities while acting in the public interest at all times.

3.3. For Lewisham, good governance requires:

- lawful and constitutionally sound decision-making;
- clear political and managerial accountability;
- effective scrutiny and challenge;
- transparent use of public resources;
- robust financial management;
- sound risk management and internal control;
- ethical conduct by Members and officers;
- effective engagement with residents, partners and stakeholders;
- due regard to equality, climate, community safety and human rights considerations; and
- a culture of continuous improvement.

4. Status of the Code

4.1. This Code forms part of the Council's overall governance framework.

4.2. It does not replace the Constitution or any statutory requirement. Where there is any inconsistency between this Code and legislation or the Constitution, the legislation and Constitution shall prevail.

4.3. The Code provides the framework against which the Council will assess the effectiveness of its governance arrangements each year.

4.4. Compliance with this Code will be reported through the Annual Governance Statement, which is considered and approved in accordance with the Accounts and Audit Regulations 2015.

5. The Council's Governance Principles

5.1. The Council adopts the seven core principles of good governance set out in the CIPFA/SOLACE Framework:

- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- ensuring openness and comprehensive stakeholder engagement;
- defining outcomes in terms of sustainable economic, social and environmental benefits;

- determining the interventions necessary to optimise the achievement of intended outcomes;
- developing the Council's capacity, including the capability of its leadership and workforce;
- managing risks and performance through robust internal control and strong public financial management; and
- implementing good practices in transparency, reporting and audit to deliver effective accountability.

5.2. The Council will apply these principles in a way that reflects its directly elected mayoral model, committee and scrutiny arrangements, organisational structure, statutory responsibilities, corporate priorities and local context.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

6. Ethical governance and standards

6.1. The Council will maintain and promote high standards of conduct by Members, co-opted members and officers.

6.2. The Council will ensure that its governance arrangements support compliance with the Member Code of Conduct, officer codes and protocols, transparent registration and declaration of interests, appropriate management of conflicts of interest, lawful decision-making, respect for the respective roles of Members and officers, proper use of public resources, prevention of fraud, bribery and corruption, and a culture in which concerns may be raised safely and appropriately.

6.3. The Monitoring Officer will maintain oversight of ethical governance, the Constitution, Member conduct arrangements and the lawfulness of decision-making.

6.4. The Chief Finance Officer will maintain oversight of the proper administration of the Council's financial affairs.

6.5. The Head of Paid Service will maintain oversight of the Council's overall managerial leadership, organisational capacity and officer arrangements.

6.6. The Council will ensure that Members and officers receive appropriate training and support on standards, conduct, decision-making, information governance, equality, financial management and other relevant governance responsibilities.

Principle B: Ensuring openness and comprehensive stakeholder engagement

7. Openness, transparency and engagement

7.1. The Council will conduct its business openly and transparently, subject to lawful and proportionate protection of confidential, exempt, personal or commercially sensitive information.

7.2. The Council will maintain arrangements for residents, service users, businesses, partners, voluntary and community sector organisations, young people and other stakeholders to engage with its decision-making and service development.

7.3. The Council's Constitution will set out arrangements for public access to meetings, public questions, petitions, deputations, scrutiny involvement and other mechanisms for democratic participation.

7.4. Reports to decision-makers will be clear, balanced, evidence-based and will include relevant legal, financial, equality, climate, crime and disorder, risk and other implications.

7.5. The Council will maintain arrangements for publication of decisions, agendas, reports, minutes and forward plans in accordance with statutory requirements and the Constitution.

7.6. The Council will seek to ensure that engagement is accessible, inclusive and meaningful, particularly for communities and groups who may experience barriers to participation.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

8. Vision, priorities and outcomes

8.1. The Council will define and communicate its corporate priorities, intended outcomes and strategic objectives through its corporate strategy, medium-term financial strategy, service plans and relevant policy frameworks.

8.2. In setting priorities and making decisions, the Council will consider the needs and interests of Lewisham's residents and communities; equality, diversity and inclusion; social value and community wealth; climate and environmental sustainability; economic resilience and inclusive growth; safeguarding and community safety; health and wellbeing; intergenerational impacts; financial sustainability; and legal duties and statutory responsibilities.

8.3. The Council will seek to ensure that short-term decisions are consistent with longer-term sustainability, affordability and the public interest.

8.4. The Annual Governance Statement will assess whether governance arrangements support delivery of the Council's intended outcomes and identify any significant governance issues or improvement actions.

Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes

9. Decision-making and delivery

9.1. The Council will maintain clear arrangements for decision-making through the Mayor and Cabinet, Council, committees, scrutiny bodies, officers and partnership arrangements.

9.2. The Constitution will set out the roles and responsibilities of Council, the Executive, committees, scrutiny and officers; the scheme of delegation; executive arrangements; council procedure rules; executive procedure rules; overview and scrutiny arrangements; financial regulations; contract procedure rules; access to information rules; and arrangements for reviewing and amending the Constitution.

9.3. Decisions will be taken at the appropriate level, by those with constitutional or delegated authority, and with regard to relevant professional advice.

9.4. The Council will ensure that significant decisions are supported by proportionate analysis of options, implications, risks, consultation, affordability, deliverability and legal powers.

9.5. The Council will maintain arrangements for project, programme and change governance, including appropriate gateway review, benefits realisation, financial control, risk management and escalation.

9.6. Where services are delivered through partnerships, companies, shared arrangements, commissioned providers or other delivery vehicles, the Council will ensure that governance, accountability, performance, risk and financial arrangements are clear and proportionate.

Principle E: Developing the Council's capacity, including the capability of its leadership and workforce

10. Capacity, capability and leadership

10.1. The Council will develop the capacity and capability of Members and officers so that they can discharge their responsibilities effectively.

10.2. The Council will maintain arrangements for Member induction and ongoing development; officer induction, training and professional development; statutory officer support and resilience; workforce planning; succession planning; performance management; leadership development; wellbeing and organisational culture; equality, diversity and inclusion in the workforce; and professional advice and assurance.

10.3. The Council will ensure that Members and officers understand their respective roles, including the distinction between political leadership, executive decision-making, scrutiny, ward representation, operational management and professional officer advice.

10.4. The Council will maintain arrangements to ensure that statutory officers have appropriate access to Members, senior officers, information and resources to discharge their statutory responsibilities.

10.5. The Council will promote a culture of constructive challenge, learning, accountability and continuous improvement.

Principle F: Managing risks and performance through robust internal control and strong public financial management

11. Risk management and internal control

11.1. The Council will maintain a risk management framework to identify, assess, manage, monitor and report strategic, operational, financial, legal, reputational and partnership risks.

11.2. The Council will maintain a system of internal control designed to manage risk to a reasonable level. The system of internal control cannot eliminate all risk but should provide reasonable assurance that the Council’s objectives can be achieved lawfully, effectively and efficiently.

11.3. The Council will maintain arrangements for strategic and operational risk registers; internal audit; external audit; counter-fraud and anti-corruption activity; financial control; procurement and contract management; information governance and data protection; business continuity; health and safety; safeguarding; performance management; complaints and customer feedback; whistleblowing; and management assurance.

11.4. The Council will ensure that risk, performance and financial information is reported to Members and senior officers in a timely, accurate and meaningful way.

11.5. The Council will maintain strong public financial management arrangements, including compliance with the CIPFA Financial Management Code, medium-term financial planning, budget monitoring, savings governance, capital governance, treasury management, reserves management and clear financial accountability.

11.6. The Chief Finance Officer will ensure that financial management arrangements are consistent with statutory requirements, professional standards and proper practices.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

12. Accountability, assurance and audit

12.1. The Council will maintain arrangements for effective accountability to residents, Members, regulators, auditors, partners and other stakeholders.

12.2. The Council will publish an Annual Governance Statement each year, explaining how it has complied with this Code, how it has reviewed the effectiveness of its governance arrangements, and what significant governance issues or improvement actions have been identified.

12.3. The annual governance review will be evidence-based and will draw on a range of assurance sources, including statutory officer assurances; internal audit findings; external audit findings; risk and performance reports; financial monitoring; inspection and regulatory reports; ombudsman findings; complaints and whistleblowing themes; information governance performance; procurement and contract management assurance; partnership governance reviews; scrutiny activity; standards and conduct arrangements; constitutional review activity; and management assurance from directorates.

12.4. The Council will ensure that the Annual Governance Statement includes a forward look, identifying how governance arrangements may need to change to meet future challenges, priorities and risks.

12.5. The Council will maintain effective arrangements for internal audit, external audit, audit committee oversight and management response to audit recommendations.

12.6. The Council will ensure that significant governance issues are subject to clear ownership, action planning, timescales, monitoring and reporting.

13. Relationship with the Constitution

13.1. The Constitution is a core component of the Council’s governance framework.

13.2. The Constitution sets out how the Council makes decisions, how scrutiny operates, how the public engages with the Council, how functions are delegated, and how the Council’s political and managerial governance arrangements operate.

13.3. The Council will keep the Constitution under review to ensure that it remains lawful, current, accessible and effective.

13.4. The Monitoring Officer is responsible for maintaining and reviewing the Constitution and for advising on constitutional interpretation and compliance.

13.5. The Governance Committee and Council will consider constitutional amendments in accordance with the Constitution and statutory requirements.

13.6. The annual review of governance will consider whether the Constitution and associated governance arrangements remain effective and whether any amendments are required.

14. Annual review of this Code

14.1. This Code will be reviewed at least annually as part of the Annual Governance Statement process.

14.2. The review will consider changes in legislation, statutory guidance and professional standards; changes to the CIPFA/SOLACE Framework or associated guidance; changes to the Constitution; findings from the Annual Governance Statement; internal and external audit findings; significant governance issues; organisational changes; changes to the Council's strategic priorities; significant partnership, company or delivery model changes; and lessons learned from complaints, litigation, inspections, interventions or other assurance activity.

14.3. Any material amendment to this Code will be reported through the appropriate governance route for approval.

15. Responsibilities

15.1. Council is responsible for approving the overall constitutional and governance framework.

15.2. The Mayor and Cabinet are responsible for executive decision-making and delivery of executive functions in accordance with the Constitution.

15.3. Committees are responsible for discharging the functions allocated to them under the Constitution.

15.4. Overview and Scrutiny is responsible for holding the Executive and relevant partners to account, contributing to policy development and supporting transparent decision-making.

15.5. The Audit Panel or equivalent audit committee body is responsible for oversight of audit, risk, internal control, financial reporting and governance assurance.

15.6. The Standards Committee or equivalent standards body is responsible for oversight of Member conduct and ethical standards arrangements.

15.7. The Head of Paid Service, Monitoring Officer and Chief Finance Officer have statutory responsibilities for the Council's governance, legality, financial administration and organisational effectiveness.

15.8. Corporate directors, directors, heads of service and managers are responsible for ensuring that governance arrangements are implemented within their areas of responsibility.

15.9. All Members and officers are responsible for acting in accordance with the law, the Constitution, this Code, relevant codes of conduct and the Nolan Principles of Public Life.

16. Evidence of compliance

16.1. Evidence of compliance with this Code may include, but is not limited to:

- the Constitution and constitutional update reports;
- the Annual Governance Statement;
- Statement of Accounts;
- corporate strategy and service plans;
- medium-term financial strategy;
- budget reports and monitoring reports;
- internal audit plan and annual opinion;
- external audit reports;
- risk registers;
- scrutiny reports;
- standards reports;
- decision records;
- procurement and contract management records;
- equality analyses;
- climate and sustainability assessments;
- information governance reports;
- complaints and ombudsman reports;
- HR, workforce and organisational development reports;
- partnership governance documents; and
- corporate performance reports.

17. Continuous improvement

17.1. The Council recognises that good governance is not static. It requires ongoing review, challenge, learning and improvement.

17.2. The Council will use the Annual Governance Statement not simply as a compliance document, but as a corporate improvement tool.

17.3. The Council will ensure that governance improvement actions are realistic, owned, monitored and reported.

17.4. The Council will seek to embed good governance in day-to-day behaviours, decision-making and service delivery, rather than treating governance as a separate administrative process.

18. Review and approval

18.1. This Code will be reviewed annually by the Monitoring Officer, in consultation with the Chief Finance Officer, Head of Paid Service, internal audit and other relevant officers.

18.2. Amendments will be reported through the appropriate member governance route.

18.3. The Code will be published and made available alongside the Council’s other key governance documents.