

# LOCAL CODE OF CORPORATE GOVERNANCE

## Governance and Audit Committee - March 2017

Report Author **Director of Corporate Governance**

Portfolio Holder **Cllr Derek Crow-Brown**

Status **For Decision**

Classification: **Unrestricted**

Ward: **All**

### Executive Summary:

Every council is obliged to prepare a Local Code of Corporate Governance. The revised code is presented to committee for approval.

### Recommendation(s):

It is recommended that the revised Local Code of Corporate Governance for is approved.

### CORPORATE IMPLICATIONS

<b>Financial and Value for Money</b>	There are no additional budgetary implications								
<b>Legal</b>	Local Authorities must be able to demonstrate compliance with the statutory principles of good governance. Local government has been undergoing significant change and the environment in which it works is increasing in complexity. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with control and the management of risk.								
<b>Corporate</b>	This report relates to a statutory and audit requirement and supports the development of an effective and efficient council.								
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy &amp; maternity. Only aim (i) of the Duty applies to Marriage &amp; civil partnership.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td style="width: 80%;">Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	✓	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓	Foster good relations between people who share a protected characteristic and people who do not share it.	
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	When taking into account the Public Sector Equality Duty, the Local Code of Corporate Governance supports the main aims of the duty. There are no specific equalities issues identified for protected or vulnerable groups. Improvements to communications and consultation processes will enhance existing procedures.
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<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	✓
Supporting the Workforce	✓
Promoting open communications	✓

## **1.0 Introduction and Background**

- 1.1 This report presents a revised Local Code for Corporate Governance.
- 1.2 The council's Code of Corporate Governance is reviewed every year. The code attached to this report is proposed for adoption and has been revised to reflect the latest guidance in the CIPFA/SOLACE Framework published April 2016.

## **2.0 Preparation of the Local Code of Corporate Governance**

- 2.1 In 2016 CIPFA/SOLACE carried out a review of the Framework for Corporate Governance 2007 (as amended by the 2012 addendum). As a result in April 2016 CIPFA/SOLACE published a new framework document "Delivering Good Governance in Local Government Framework 2016 Edition" with the key focus of governance processes and structures centred on the attainment of sustainable economic, social and environmental outcomes.
- 2.2 The CIPFA/SOLACE Framework 2016 now has a revised set of principles (A-G) taken from the "International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)":

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

B - Ensuring openness and comprehensive stakeholder engagement;

C - Defining outcomes in terms of sustainable economic, social and environmental benefits;

D - Determining the interventions necessary to optimize the achievement of the intended outcomes;

E - Developing the entity's capacity, including the capability of its leadership and the individuals within it;

F - Managing risks and performance through robust internal control and strong public financial management;

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

The International Framework notes that principles A and B permeate implementation of principles C to G.

- 2.3 Although the principles have been updated they remain similar in nature to the previous principles as set out in the 2007 Framework and 2012 addendum.
- 2.4 Each Local Authority should have a code that reflects these principles and be committed to improving governance on a continuing basis through a process of evaluation and review.
- 2.5 Accordingly the Local Code has been revised and reviewed by the Monitoring Officer to ensure that it reflects the current governance arrangements of the council and complies with the CIPFA/SOLACE Framework 2016 edition.

### 3.0 Options

- 3.1 Failure to undertake these processes or review the attached document will impact on the council's approach to corporate governance, and our ability to demonstrate compliance with our own corporate processes.
- 3.2 Committee may adopt or choose not to adopt the Local Code of Corporate Governance. Given the expectation on local authorities to adopt a code, failure to do so could lead to reputational damage.

Contact Officer:	Tim Howes, Director of Corporate Governance
Reporting to:	Madeline Homer, Chief Executive

### Annex List

Annex 1	Local Code of Corporate Governance
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### Background Papers

Title	Details of where to access copy
Delivering Good Governance in Local Government Framework 2016 Edition	CIPFA

### Corporate Consultation

<b>Finance</b>	Tim Willis, Director of Corporate Resources
<b>Legal</b>	Tim Howes, Director of Corporate Governance