



CORPORATE GOVERNANCE COMMITTEE – 26 MAY 2017

JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES AND THE CHIEF EXECUTIVE

LOCAL CODE OF CORPORATE GOVERNANCE

Purpose of the Report

1. The purpose of this report is to:
 - (a) Inform the Committee of the publication of the revised CIPFA/SOLACE Delivering Good Governance in Local Government : Framework;
 - (b) Present the County Council's revised Local Code of Corporate Governance to the Committee for review and to recommend approval by Cabinet;

The Revised CIPFA/SOLACE Delivering Good Governance in Local Government Framework

2. *Delivering Good Governance in Local Government: Framework*, published by CIPFA in association with Solace in 2007, set the standard for local authority governance in the UK. CIPFA and Solace reviewed the Framework in 2015 to ensure it remains 'fit for purpose' and published a revised edition in spring 2016.
3. The revised Delivering Good Governance in Local Government: Framework (the Framework) must be applied to annual governance statements prepared for the financial year 2016/17 onwards.
4. The concept underpinning the Framework is that it helps local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:
 - resources are directed in accordance with agreed policy and according to priorities;
 - there is sound and inclusive decision making;
 - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

5. The Framework defines principles that should underpin governance within a local government organisation. It provides a structure to help individual authorities with their approach to governance. How an organisation designs its governance structure is for it to decide, although it should be able to demonstrate that it complies with the core and sub-principles contained in the Framework. It should therefore develop and maintain an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness. The term 'local code' essentially refers to the governance structure in place as there is an expectation that a formally set out local structure should exist, although in practice it may consist of a number of local codes or documents.

The County Council's Revised Local Code of Corporate Governance

6. The Corporate Governance Committee is responsible for the promotion and maintenance of high standards within the Authority in relation to the operation of the Council's Local Code of Governance (the Local Code). It has a responsibility to review the Local Code as necessary and make recommendations to the County Council to ensure that it remains relevant to the Council's work and practices.
7. A review and revision of the previous Code of Corporate Governance (13 February 2008) was long overdue. Given that annual governance statements prepared for the financial year 2016/17 onwards must reflect the revised Framework, it was necessary to undertake a review of the Code and revise it.
8. The Local Code has been revised to reflect the seven principles contained in the Framework which are: -
 - 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 optimize the achievement of the intended outcomes;
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it;
 - Managing risks and performance through robust internal control and strong public financial management;
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
9. Against each of the seven principles, based on self-assessments of assurances received from Directors and corporate functions, officers have identified specific examples of the Council's commitment to achieving good governance e.g. policies, procedures, behaviours, actions and values by which the Council is controlled and governed.

10. The first iteration of the Council's revised Local Code of Governance (2017) is included as Appendix 1. Development will continue throughout 2017-18.

Recommendations

11. The Committee is requested to:

- (a) Note the publication of the revised CIPFA/SOLACE Delivering Good Governance in Local Government : Framework (2016);
- (b) Consider the Council's revised Local Code of Corporate Governance and recommend its approval by Cabinet on 23 June 2017;

Resource Implications

12. None.

Equality and Human Rights Implications

13. None.

Background Papers

Delivering Good Governance in Local Government: Framework CIPFA/SOLACE, 2007, 2012 and 2016;

Circulation Under the Local Issues Alert procedure

None

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List of Appendices

Appendix 1 – Local Code of Corporate Governance (2017)