Leicestershire County Council

CORPORATE GOVERNANCE COMMITTEE – 26 JUNE 2026

JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES AND THE ASSISTANT DIRECTOR OF LAW AND GOVERNANCE

LOCAL CODE OF CORPORATE GOVERNANCE

Purpose of the Report

1. The purpose of this report is to seek the Committee's support for the revised Local Code of Corporate Governance.

Background

2. Delivering Good Governance in Local Government: Framework (the Framework), published by CIPFA in association with Solace in 2007, sets the standard for local authority governance in the UK. CIPFA and Solace reviewed the Framework in 2015 to ensure it remained 'fit for purpose' and published a revised edition in spring 2016.

3. 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 clear accountability for the use of those resources to achieve desired outcomes for service users and communities.
    - there is sound and inclusive decision making.

4. The Framework defines seven core principles that should underpin governance within a local government organisation.
    - Behaving with integrity
    - Ensuring openness
    - Defining outcomes
    - Determining effective interventions
    - Developing capacity
    - Managing risks and performance
    - Transparency and effective accountability

5. The Framework 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 corporate 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.

6. Whilst it is not a statutory requirement, CIPFA recommends that all local government bodies develop a local code of corporate governance.

7. In May 2025, CIPFA and Solace released an addendum to the Framework for application to annual governance statements for 2025/26 onwards. The addendum introduced the concept of core arrangements within each of the seven core principles (Appendix 3). The addendum implies that governance arrangements that address areas core to good governance should be documented in the local code.

The County Council’s Local Code of Corporate Governance

8. The Corporate Governance Committee (the 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.

9. The Committee last considered the Local Code at its meeting on 13 May 2022. For the May 2026 revision, input was provided by the Chief Legal Officer and Monitoring Officer, the Head of Governance and Strategy, the Democratic Services Officer, the Assistant Director (Finance, Transformation and Commissioning) and the Head of Internal Audit and Assurance Service.

10. The Council’s own governance arrangements set out in the Local Code were reviewed to ensure that they adequately addressed the core arrangements outlined in the CIPFA addendum, with this evaluation conducted on a principle-by-principle basis. A significant proportion of the core arrangements were found to be fully or partially addressed. For a small number, the relevant arrangements are documented under alternative core principles.

11. The Council’s revised Local Code of Corporate Governance (April 2026) is included as Appendix 1. It is intended that once it has been considered by the Committee the revised version will be published on the Council’s website within the ‘How the council works’ section and added to the Elected Members’ Portal. Managers will be encouraged to discuss the revised Local Code with their teams so that they remain aware of the Council’s commitment to the principles of good governance and ensure they are operated effectively in practice through values, behaviours, and actions.

12. Additionally, Departments self-assess their conformance to the governance arrangements contained in the Code, and the outcomes are reported in the Council’s Annual Governance Statement which is a statutory requirement.

13. The May 2026 Local Code represents an evolution rather than a fundamental redesign of the 2022 framework. The principal differences are:

    - Alignment with new national guidance and standards (CIPFA addendum, audit standards)
    - Strengthened governance assurance, transparency and accountability mechanisms
    - Expansion to reflect modern risks (AI, cyber), financial oversight, and procurement governance
    - Updated to reflect current strategies, partnerships and organisational developments

    An analysis of key changes is shown in Appendix 2.

Conclusion

14. Overall, the Council’s revised Local Code of Corporate Governance demonstrates a more mature, comprehensive and up-to-date governance framework, supporting improved assurance and compliance with current best practice. Additionally, it substantially aligns to the Best Value Standards and Intervention statutory guide for best value authorities. (MHCLG).

15. Further reviews and revisions are scheduled annually or as required in the event of changes in legislation etc.

Recommendations

16. The Committee is requested to confirm the Local Code of Corporate Governance (May 2026) has been reviewed and amended as necessary to ensure that it remains relevant to the Council’s work and practices.

Resource Implications

17. None.

Equality and Human Rights Implications

18. None.

Background Papers

Delivering Good Governance in Local Government: Framework CIPFA/SOLACE, 2007, 2012 and 2016.
Delivering Good Governance in Local Government: Framework – addendum 2025

Circulation Under the Local Issues Alert procedure

None

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List of Appendices

Appendix 1 – Local Code of Corporate Governance (May 2026).

Appendix 2 – Analysis of key changes between Local Code April 2022 and May 2026.

Appendix 3 – Core arrangements for the Local Code of Corporate Governance.