

Report to: **Governance Committee**

Date: **7 March 2017**

By: **Assistant Chief Executive**

Title of report: **Local Code of Corporate Governance**

Purpose of report: **To consider a revised Local Code of Corporate Governance.**

RECOMMENDATION:

The Committee is recommended to agree the revised Local Code of Corporate Governance as set out at Appendix 1 to the report.

1. Background Information

1.1 The County Council's Local Code of Corporate Governance sets out the main principles of good governance for the Council. The Code is based on existing good practice and the core principles of the CIPFA/SOLACE framework.

1.2 In 2016, the CIPFA/SOLACE published a new 'Delivering Good Governance in Local Government Framework. The main principle underpinning the development of the new framework continues to be that local government is developing and shaping its own approach to governance, taking into account the environment in which it operates. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve the desired outcomes for service users and communities.

1.3 The Framework defines the principles that should underpin the governance of local councils. To achieve good governance the Council should be able to demonstrate that its governance structures comply with the core and sub principles contained in the Framework. It should therefore develop and maintain a local code of governance reflecting the principles set out in the Framework.

1.4 It important that the Framework is applied in a way that demonstrates the spirit and ethos of good governance which cannot be achieved by rules and procedure alone. Shared values that are integrated into the culture of an organisation, and are reflected in behaviour and policy, are hallmarks of good governance.

1.5 The Framework has seven recommended core principles replacing the 6 existing principles. The seven principles included in the Framework are:

- Behaving with integrity, demonstrating string 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 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

1.6 The Local Code of Corporate Governance has been updated to reflect the revised CIPFA/SOLACE Framework with the 7 core principles of the Framework being proposed as the County Council's principles of good governance. Three areas have been incorporated into the new principles were not specifically referenced in the previous version of the Code. These are internal control, defining benefits and determining interventions. In addition the key policies and processes that underpin the County Council's compliance with its fundamental principles have been reviewed and the changes reflected in Appendix 1 Annex A.

1.7 The Governance Committee is recommended to agree the revised Local Code of Corporate Governance set out at Appendix 1.

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Local Members: All

Background Documents: None