

Report to Governance Committee

7 February 2022

Code of Governance

Report by Director of Law and Assurance

Electoral division: Not applicable

Summary

The Committee is invited to approve a new Code of Governance to support oversight of the Council's governance framework and to assist in giving assurance as to its effectiveness. The Code was last revised in 2016. The Council continues to improve its governance arrangements through a good governance review and the purpose of the Code is to provide residents, outside agencies as well as elected members and officers with a readable account of how the Council discharges its business and ensures compliance with legal requirements and expected standards.

Recommendation

That the Code of Governance (attached at Appendix 1) be approved for publication and dissemination.

Proposal

1 Background and context

- 1.1 The County Council is responsible for ensuring that its business is conducted according to the law and with proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used efficiently and effectively. To do so the County Council needs to ensure proper arrangements for the governance of its business and for the management of its assets and resources. It should also ensure its governance arrangements are clear and available for scrutiny.
- 1.2 In 2009 the Committee adopted a Code of Governance developed using guidance from the Chartered Institute of Public Finance (CIPFA) and Society of Local Authority Chief Executives (SOLACE). It was updated in 2014. CIPFA and SOLACE issued a new Framework in 2016 which set out seven core principles and sub-principles of good governance and this led to the last review of the Council's Code.
- 1.3 The Code provides a set of principles and commitments for the framework by which the Council is accountable to residents, partners and the wider community. It is the starting point for showing how the County Council carries out its functions through its members, employees and suppliers and the

procedures and processes by which it discharges its business, ensuring it maintains public confidence whilst complying with the law and national standards expected of public and democratic bodies.

- 1.4 The best practice guidance of CIPFA/SOLACE enables the County Council's management processes and systems to be assessed against the seven principles used in the guidance. The guidance positions the attainment of sustainable economic, societal, and environmental outcomes as the focus of governance processes and structures. It states that 'outcomes are what give the role of local government its meaning and importance, and it is fitting that they have this central role in the sector's governance'.
- 1.5 Following external inspection reports in 2019 that drew attention to governance shortcomings in the Council, the Council's leadership implemented changes but also initiated a 'good governance review' to identify areas for improvement. One output of the review is a need for a more accessible and thorough Code, to provide a source of information and assurance about the Council's governance arrangements. It is not intended to provide a practical resource for use by officers and decision-makers but is aimed at those who seek assurance about how the Council functions. A separate internal guide to governance aimed at officers of the Council has been prepared in parallel.

2 Proposal details

- 2.1 The revised Code attached at Appendix 1 for approval has been prepared using the seven principles in the CIPFA guidance and includes a narrative to summarise what arrangements the Council has in place to meet them.
- 2.2 The revised Code also contains an extended introduction to explain what the Council is and what it does. If approved the Code will be published on the Council's website and used as an additional resource for future work on the Council's arrangements for giving assurance to residents as to the Council's operational procedures and ways of working.

3 Other options considered (and reasons for not proposing)

- 3.1 Other approaches could have been deployed and the Council could have retained the current Code which is not considered to be suited to the task of providing an accessible or readable resource.

4 Consultation, engagement and advice

- 4.1 The draft has drawn from internal consultation arising as part of the good governance review and Codes adopted by other councils have been used as reference. The proposed text reflects learning from these documents.

5 Finance

- 5.1 There are no revenue or capital budget consequences.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
That the Council does not comply with the Code in its business activities.	Adoption of the Code will be accompanied by the adoption and implementation of a complementary officer guide which will be the subject of extensive dissemination, awareness raising and training. Assurance of effective governance remains a core function of the Council's Regulation, Audit and Accounts Committee

7 Policy alignment and compliance

- 7.1 The revised Code meets the Council's legal and constitutional commitments and the objectives of the Council Plan.

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Appendices

Appendix 1 – Proposed Code of Governance

Background papers

None.