



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE (AUDIT)
DATE:	27 JULY 2017
REPORT OF THE:	RESOURCES & ENABLING SERVICES LEAD (s151) PETER JOHNSON
TITLE OF REPORT:	REVISED LOCAL CODE OF CORPORATE GOVERNANCE
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To present the updated Local Code of Corporate Governance for review and approval.

2.0 RECOMMENDATION

- 2.1 Members recommend to Council approval of the updated Local Code of Corporate Governance

3.0 REASON FOR RECOMMENDATION

- 3.1 In 2016 CIPFA revised their framework and guidance (Delivering Good Governance in Local Government) and therefore the opportunity has been taken to review the Council's code and align it with the new guidance.

4.0 SIGNIFICANT RISKS

- 4.1 The Council would not comply with the requirements of the revised framework.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Council must adopt a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance in order to prepare the Annual Governance Statement. The best practice guidance is recognised as the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2016).

REPORT

6.0 REPORT DETAILS

- 6.1 The current Code of Corporate Governance was adopted by Full Council in ???. The code was consistent with the framework and guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) at that time.
- 6.2 As one would expect in a framework dealing with 'good governance' there is a lot of correlation between the content of the old CIPFA framework and the new framework. The main changes are the positioning of sustainable, social and environmental outcomes as a key focus of governance processes and structures. CIPFA consider the focus on sustainability and the links between governance and public financial management are crucial in these times of austerity and underpin the need for local authorities to focus on long term solutions. The framework is guidance to local authorities which they may adapt as they consider fit.
- 6.3 Under the new framework there are seven core principles (A-G) each with a number of sub-principles. Although the wording of the principles has been revised there is a lot of commonality between the sub-principles.

Local Code of Governance

- 6.4 The updated Local Code of Corporate Governance is based upon the CIPFA/SOLACE publication entitled "Delivering Good Governance in Local Government: Framework 2016 Edition."
- 6.5 The Code is based on seven core principles:
- 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 Council'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; and
 - G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

- 6.5 The updated Local Code of Corporate Governance is attached at Appendix A.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None

b) Legal
None

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:

Cipfa/Solace – Delivering Good Governance in Local Government Framework 2016

Background Papers are available for inspection at:

Ryedale House
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