

Local Code of Corporate Governance

Director *Netta Meadow, Director – Strategy and Support Services*
Lead Officer: *Paul Fitzgerald, S151 Officer*
Contact Details: *Paul.fitzgerald@southsomerset.gov.uk or (01935) 462226*

Purpose of the Report

1. To present a new Local Code of Corporate Governance for South Somerset District Council for review and approval.

Recommendations

2. Audit Committee:
 - (a) Approves the new Local Code of Corporate Governance.
 - (b) Agrees delegated authority to the S151 Officer to make minor changes to the Code such as revisions to job titles or key document names.

Introduction

3. The Council's current Local Code of Corporate Governance was approved in 2013.
4. CIPFA and SOLACE¹ issued an updated Delivering Good Governance in Local Government Framework, and supporting Guidance Notes, in 2016. In the Framework's introduction it acknowledges that local government organisations are big business and are vitally important to tax payers and service users. They need to ensure that they meet the highest standards and that governance arrangements are not only sound but are seen to be sound.
5. 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, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
6. The Framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework by:
 - reviewing existing governance arrangements
 - developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness
 - reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.
7. To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in this Framework. It should therefore

¹ CIPFA is the Chartered Institute of Public Finance and Accountancy; and SOLACE is the Society of Local Authority Chief Executives and Senior Managers

develop and maintain a local code of governance/governance arrangements reflecting the principles set out. This report therefore includes an updated Local Code for SSDC, for review and approval by the Audit Committee.

8. It is also crucial that the Framework is applied in a way that demonstrates the spirit and ethos of good governance which cannot be achieved by rules and procedures alone. Shared values that are integrated into the culture of an organisation, and are reflected in behaviour and policy, are hallmarks of good governance.
9. The new Local Code for SSDC incorporates the principles of good governance defined in the Framework, as these are regarded as entirely relevant and appropriate for this Council:
 - 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 Council'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 accountability
10. The Local Code also identifies a wide variety of ways through which the Council seeks to demonstrate its commitment to these principles.
11. At the end of the financial year the Council must produce an Annual Governance Statement (AGS), which will include evidence of how it is meeting the Code and its internal controls and processes. The AGS is presented to the Audit Committee for approval alongside the Statement of Accounts each year, and the Committee also monitors agreed action plans arising from the reviews undertaken.
12. The Local Code once approved will be shared with all Councillors, who will also be able to feed into future reviews and assessments.

Financial Implications

13. There are no financial implications arising from this report.
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