
REPORT TO:	COUNCIL	AGENDA ITEM: 17
DATE OF MEETING:	3RD JULY 2008	CATEGORY: DELEGATED
REPORT FROM:	HEAD OF LEGAL & DEMOCRATIC SERVICES AND MONITORING OFFICER	OPEN
MEMBERS' CONTACT POINT:	ANDREA McCASKIE (EXT. 5831)	DOC: U:\JAYNE\Commtee\COMMREP\LocalCodeCorpGov08Council.doc
SUBJECT:	LOCAL CODE OF CORPORATE GOVERNANCE	REF: AGM/JB
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 To adopt the revised Local Code of Corporate Governance, attached to the report at Annexe 'A'.
- 1.2 That the Audit Sub-Committee and Standards Committee carry out half yearly reviews on progress in achieving the action points set out in Annexe 'B' to the Local Code of Corporate Governance and report back to Full Council annually.
- 1.3 To approve that the Officer responsible for implementing the Code and monitoring the Council's performance against the commitments set out in it to be the Chief Executive, in consultation with the Leader of the Council.

2.0 Purpose of Report

- 2.1 This report will inform Members of the revised advice and guidance produced by the Chartered Institute of Public Finance and Accounting (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) with regard to the adoption of a revised Local Code of Corporate Governance.

3.0 Detail

- 3.1 During 2005, South Derbyshire District Council carried out a review of its corporate governance arrangements, relying on CIPFA/SOLACE guidance entitled "*Corporate Governance in Local Government*". This resulted in the Council's Local Code of Corporate Governance being adopted by the Council on 11th August 2005. The document set out and described those principles and identified the arrangements that had been made, and indeed would continue to be made to achieve the principles of good corporate governance in all aspects of the Council's work.

What is corporate governance ?

- 3.2 Corporate Governance in local government is the system by which a Council directs and controls its functions and relates to its community. Good Corporate Governance is essential in demonstrating there is credibility and confidence in the public services we provide. Sound arrangements are founded upon openness, integrity and accountability, together with the over-arching concept of leadership.

The purpose of a Local Code of Governance

- 3.3 The Local Code of Governance is a single document that aims:
- to serve as a management tool for reviewing and monitoring existing Corporate Governance arrangements
 - to ensure that evidence about our governance arrangements, e.g. for “Use of Resources” assessment, and Annual Governance Statement etc. is available
 - to help develop plans for improving arrangements for Corporate Governance

Our commitment to Corporate Governance

- 3.4 South Derbyshire District Council is committed to having sound Corporate Governance arrangements. The development and maintenance of a Local Code of Corporate Governance will assist in achieving this aim.
- 3.5 The Code assists in demonstrating good governance of the Council’s affairs and that the stewardship of the resources at its disposal are effective.
- 3.6 The Code of governance will be reviewed periodically to ensure that it remains up to date.

What our governance arrangements are measured against

- 3.7 Further CIPFA/SOLACE guidance entitled “*Delivering Good Governance in Local Government*” has recently been issued and the Council has made use of the six core and supporting principles to assess our governance arrangements.
- 3.8 The six core principles are:
1. Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.
 2. Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
 3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
 5. Developing the capacity and capability of Members and Officers to be effective.
 6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 3.9 A revised Local Code of Corporate Governance, based on the above core and supporting principles, is attached at Annexe ‘A’. It is basically a summary of the Council’s commitment to high standards of corporate governance.

- 3.10 In May 2008, the corporate group of senior officers consisting of the Director of Corporate Services, Head of Legal & Democratic Services, Head of Financial Services, Head of Organisational Development, Audit Manager and the Corporate Performance and Policy Officer met and will continue to do so on a six-monthly cycle to assess our governance arrangements.
- 3.11 The group carried out an assessment against the CIPFA/SOLACE checklist by assessing the documents/processes and other means used to measure compliance with the six supporting principles.
- 3.12 The self-assessment provides the evidence of how the Council has fulfilled, or intends to fulfil its commitment to high standards of corporate governance, and establishes the Council's baseline position as regards compliance with the six principles. A report of the self-assessment is attached at Annexe 'B'
- 3.13 It is recommended that the Standards Committee and the Audit Sub-Committee receives half yearly reports on progress in relation to compliance with the six core principles. This will help ensure that the Standards Committee has a pivotal role in promoting and maintaining high standards of conduct throughout the authority, whilst the Audit Sub-Committee will oversee and monitor arrangements for complying with corporate governance issues, including approving the Annual Governance Statement.
- 3.14 On 28th May 2008, the Standards Committee noted the revised Code of Corporate Governance and the Action Plan in relation, in particular, to Principle 3 'Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour. The Committee were satisfied with the actions taken to date and the plans for improvement and looked forward to receiving a progress report in six months time.
- 3.15 On 18th June 2008, the Audit Sub-Committee reviewed the Action Plan and noted the revised Code of Conduct. Again, they accepted the self-assessment carried out by the senior officer group and were satisfied with the plans for improvement and would review progress in six months.
- 3.16 It is proposed that, at the end of May 2009, an external assessment on how far the Council's current processes and documentation meet the principles set out in the Local Code of Corporate Governance will be carried out and its findings reported to Council.
- 3.17 In view of the fact that corporate governance is an all-encompassing concept, it will be necessary for Council to approve that the Chief Executive Officer, in consultation with the Leader of the Council, is to have overall responsibility for implementing the Code and monitoring the Council's performance against the commitments contained within it.
- 3.18 It must be recognised, however, that the Code should be owned by all Members and Officers.

4.0 Financial Implications

- 4.1 None directly arising from the report.

5.0 Corporate Implications

- 5.1 The Code overarches all the Council's activities and compliance with it will necessarily take into account all the Council's policies and strategies in relation to these issues.

6.0 Community Implications

- 6.1 A key aim of the authority is community leadership, which is concerned with the style and manner in which the Council operates and how we relate to local people and partners. One important aspect included in this aim is our policies and arrangements for corporate governance.

7.0 Background Papers

CIPFA/SOLACE publication "*Delivery Good Governance in Local Government*".