

Full Council

Meeting to be held on 23 July 2015

Electoral Division affected: All

The Council's Code of Corporate Governance

(Appendix A refers)

Contact for further information:

Roy Jones, (01704 533619

Roy.jones@lancashire.gov.uk

Paul Bond, Head of Service Legal and Democratic Services (01772) 534676

paul.bond@lancashire.gov.uk

Executive Summary

The Audit and Governance Committee have considered and approved a revised Code of Corporate Governance for the County Council.

The County Council originally approved and adopted a Code of Corporate Governance in January 2008 which has not been reviewed since. A commitment in the Annual Governance Statement for 2013/14 was to review the Code during 2014/15.

The draft revised version of the Code of Corporate Governance and Action Plan is presented for the Full Council's approval at Appendix A. The Audit and Governance Committee have recommended that the Code once adopted be reviewed by the County Council every year.

Recommendation

The Full Council is asked to approve the draft revised Code of Corporate Governance set out at Appendix A, and agree that once adopted the Code be reviewed by the County Council every year.

Background and Advice

The County Council has previously approved and adopted a Code of Corporate Governance. The Code was adopted in January 2008 and has not been reviewed since. A commitment in the Annual Governance Statement for 2013/14 was to review the Code during 2014/15.

Good governance is about ensuring that the Council does the right things, in the right way, in a timely, open, and accountable manner. It must therefore include the systems, processes, cultures and values by which services are directed and controlled, and by which we are accountable to, and engage with our stakeholders and communities.

CIPFA and the Society of Local Authority of Chief Executives (SOLACE) have provided best practice guidance on establishing a local Code of Corporate Governance: Delivering Good Governance in Local Government Framework document. The Code should articulate the expected standards, principles and values by which Lancashire County Council Officers and Members will operate.

There should be clear links between the principles of the Code, and the governance framework of strategies, policies and procedures which underpin the Code.

The Code should be consistent with the principles of the CIPFA/SOLACE Framework which defines the following six core principles, each supported by subprinciples that should underpin the governance framework of a local authority:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting the values of the authority 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 risks
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

The Audit and Governance Committee in April considered an initial draft of a revised Code. The draft revised Code includes an Action Plan setting out those governance framework processes that have been identified for action for the coming year.

The revised Code is in a new format including sources of evidence providing clarity for Members, Officers and stakeholders about how the organisation uses the principles of the Code in practice.

The Committee in June approved a final version of the draft Code and updated Action Plan, and recommended that once adopted by the Full Council the Code should be reviewed on an annual basis.

The Full Council is asked to approve the draft revised Code of Corporate Governance for the County Council 2014/15 as set out at Appendix A. Once approved the Code is adopted it will be widely communicated to members, officers and stakeholders.

The Full council is also asked to agree that once approved the Code will be reviewed by the County Council every year.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with sound arrangements for control and management of risk. An Authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Failure to develop and maintain a local Code of Corporate Governance and publish an AGS means the Council would be negligent in its responsibilities for ensuring accountability and the proper conduct of public business.

Legal Implications

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 (AGS). The best practice guidance is recognised as the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2007).

Financial Implications

Good governance leads to good management, good performance and good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. However, there are costs associated with embedding and continuing good governance practices, and as the Council's organisational structures develop, the costs associated with governance need to be monitored to ensure they remain proportionate.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Service/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A