

Meeting of the Full Council
Meeting to be held on Thursday, 21 July 2016

Report submitted by: Head of Legal & Democratic Services

Part A

Electoral Division affected:
(All Divisions)

The Council's Code of Corporate Governance
(Appendix 'A' refers)

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Executive Summary

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

The Full Council in July 2015 approved a new Code of Corporate Governance for the County Council and an Action Plan for 2015/16. This was based on the current guidance at that time. Full Council also agreed that the Code would be reviewed on an annual basis. However, new guidance was published earlier this year and as a consequence the Code of Corporate Governance has been updated to reflect the changes and it was presented to Audit and Governance Committee on 30th June 2016 for approval.

The draft revised version of the Code of Corporate Governance and Action Plan is presented for the Full Council's approval at Appendix 'A'.

Recommendation

The Full Council is asked to approve the draft revised Code of Corporate Governance set out at Appendix 'A'.

Background and Advice

In July 2015 the Full Council approved a new Code of Corporate Governance for the County Council and agreed that the Code would be reviewed by the County Council every year. The Full Council also approved an Action Plan to the Code for 2015/16. The Code has been widely communicated to members, officers and stakeholders.

The Code was based on CIPFA and the Society of Local Authority of Chief Executives (SOLACE) best practice guidance: Delivering Good Governance in Local

Government Framework document, and should articulate and be consistent with the expected standards, principles and values by which Lancashire County Council Officers and Members will operate. There should be clear links between the principles within the Code, and the governance framework of strategies, policies and procedures which underpin it. The Code should be consistent with the core principles defined in the CIPFA/SOLACE Framework, each supported by subprinciples that should underpin the governance framework of a local authority. The Code was also in a format that included sources of evidence providing clarity for Members, Officers and stakeholders about how the organisation uses the principles of the Code in practice. However, since agreeing the Code of Corporate Governance, the guidance referred to above has been updated and a new set of principles have been agreed by CIPFA/SOLACE.

Therefore, the Code now presented at Appendix 'A' has been updated to reflect the seven new core principles and includes sources of evidence as previously shown. It also incorporates a revised action plan for 2016/17.

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 (2016).

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