



FULL COUNCIL

Wednesday, 21 July 2021

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| Subject | Code of Corporate Governance |
| Report by | Councillor Maurice Cook Cabinet Member with responsibility for Resources |
| Supporting Officer | Mrs Siobhan Martin Head of Internal Audit 01394 444254 siobhan.martin@eastsoffolk.gov.uk |

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| Is the report Open or Exempt? | OPEN |
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| Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information. | Not applicable |
| Wards Affected: | All Wards |

Purpose and high-level overview

Purpose of Report:

The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend an annual review of the Code of Corporate Governance, as directed in the CIPFA/SOLACE 2016 publication “Delivering Good Governance in Local Government”. The Code of Corporate Governance was last reviewed in July 2018.

The revised Code was reviewed by the Audit & Governance Committee at its meeting on 14 December 2020, in accordance with best practice and the Committee’s responsibility, within its terms of reference. The Code is now before Full Council for approval.

Options:

There are no options to be considered in relation to this report.

Recommendation:

That the revised Code of Corporate Governance at Appendix A to the report be adopted.

Corporate Impact Assessment

Governance:

The Code of Corporate Governance is the keystone to demonstrating how the Council embodies and delivers governance.

ESC policies and strategies that directly apply to the proposal:

Good governance is an essential feature of how East Suffolk is accountable for the public purse and therefore every element of the East Suffolk Strategic Plan is delivered with the Code of Corporate Governance explicitly applied.

Environmental:

There are no direct environmental implications to this report, however, one of the key principles of the Code is defining outcomes in terms of sustainable economic, social, and environmental benefits.

Equalities and Diversity:

There are no direct equalities and diversity implications to this report.

Financial:

There are no direct financial implications to this report, however one of the key principles of the Code is managing risks and performance through robust internal control and strong public financial management.

Human Resources:

There are no human resources implications.

ICT:

There are no ICT implications.

Legal:

The Council is required to review existing governance arrangements, and to develop and maintain an up-to-date local Code of Corporate Governance.

Risk:

Good governance ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

External Consultees:

No external parties were consulted in the preparation of this report.

Strategic Plan Priorities

| Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i> | | Primary priority | Secondary priorities |
|--|--|--------------------------|-------------------------------------|
| T01 | Growing our Economy | | |
| P01 | Build the right environment for East Suffolk | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P02 | Attract and stimulate inward investment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P03 | Maximise and grow the unique selling points of East Suffolk | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P04 | Business partnerships | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P05 | Support and deliver infrastructure | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| T02 | Enabling our Communities | | |
| P06 | Community Partnerships | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P07 | Taking positive action on what matters most | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P08 | Maximising health, well-being and safety in our District | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P09 | Community Pride | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| T03 | Maintaining Financial Sustainability | | |
| P10 | Organisational design and streamlining services | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P11 | Making best use of and investing in our assets | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P12 | Being commercially astute | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P13 | Optimising our financial investments and grant opportunities | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P14 | Review service delivery with partners | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| T04 | Delivering Digital Transformation | | |
| P15 | Digital by default | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P16 | Lean and efficient streamlined services | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P17 | Effective use of data | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P18 | Skills and training | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P19 | District-wide digital infrastructure | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| T05 | Caring for our Environment | | |
| P20 | Lead by example | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P21 | Minimise waste, reuse materials, increase recycling | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P22 | Renewable energy | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P23 | Protection, education and influence | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| XXX | Governance | | |

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| XXX | How ESC governs itself as an authority | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| How does this proposal support the priorities selected? | | | |
| <p>The Code will facilitate the Council’s review of its corporate governance arrangements (incorporating a list of corporate evidence) for the purposes of the Annual Governance Statement. The Code is the umbrella document listing the behaviours adopted and practiced by the Council throughout all its activities and priorities.</p> | | | |

Background and Justification for Recommendation

| 1 Background facts | |
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| 1.1 | Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner. It comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with, and where appropriate, leads its communities. |
| 1.2 | The Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and officers are responsible for putting in place proper arrangements for the governance of the Council’s affairs and the stewardship of the resources at its disposal. |

| 2 Current position | |
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| 2.1 | The concept underpinning the ideal of corporate governance is to help local government to take responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards, in a measured and proportionate way. 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 principles; that there is sound and inclusive decision making; and that there is clear accountability for the use of those resources, to achieve desired outcomes for service users and communities. |
| 2.2 | CIPFA recommends an annual review of the Code of Corporate Governance. There have been no additional publications to consider since the Code was last refreshed in July 2018, and reported to the Audit and Governance Committee, i.e. incorporation of recommended changes in the publication entitled Delivering Good Governance in Local Government (CIPFA/SOLACE 2016) and features listed in The International Framework: Good Governance in the Public Sector (CIPFA/IFAC). |
| 2.3 | <p>Fundamental to the Code are seven core principles. The seven core principles are:</p> <ul style="list-style-type: none"> 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 optimise the achievement of the intended outcomes. |

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| | <p>E. Development the Partnership’s capacity, including the capability of its leadership and the individuals within it.</p> <p>F. Managing risks and performance through robust internal control and strong public financial management.</p> <p>G. Implementing good practices in transparency reporting, and audit to deliver effective accountability.</p> <p>Each of the seven core principles has several sub principles, which in turn translate into a range of specific behaviours and actions that apply across the various aspects of the Council’s business and demonstrates good governance.</p> |
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3 How to address current situation

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| 3.1 | <p>Having adopted a Code of Corporate Governance, the Council needs to ensure:</p> <p>a. that the principles and practices in it are adhered to, and</p> <p>b. that it is periodically reviewed, to provide assurance that governance arrangements are adequate, operating effectively and to identify action for improvement which will develop and shape governance within the Council.</p> |
| 3.2 | <p>The outcome of the review is incorporated within the Annual Governance Statement prepared by the Leader of the Council and Chief Executive and will be submitted to the Audit and Governance Committee for consideration and review along with full Council.</p> |

4 Reason for recommendation

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| 4.1 | <p>The revised Code was reviewed by the Audit & Governance Committee at its meeting on 14 December 2020 and is now before Full Council for approval.</p> |
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Appendices

Appendices:

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| Appendix A | Code of Corporate Governance |
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Background reference papers:

| Date | Type | Available From |
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| 2014 | The International Framework: Good Governance in the Public Sector (CIPFA/IFAC) | Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk |
| May 2016 | CIPFA/SOLACE “Delivering Good Governance in Local Government” (2016). | Head of Internal Audit siobhan.martin@eastsoffolk.gov.uk |