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TO	Audit Committee
DATE	Thursday 26 November 2020
EXECUTIVE MEMBER	Portfolio Holder for Corporate Direction and Governance

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Update of the Code of Corporate Governance
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RECOMMENDATIONS
That the draft Code of Corporate Governance be adopted, and that compliance with the Code is reported publicly in the Council's Annual Governance Statement.
REASONS FOR RECOMMENDATIONS
Each local authority is required to develop and maintain an up to date Code of Corporate Governance. The Code of Corporate Governance sets out the principles of good governance and the arrangements in place to ensure that the Council conducts its business in accordance with the law and proper standards. It provides assurance that the Council is meeting best practice in protecting its assets and serving the community. The updated Code, which is attached at annex 1, has been reviewed by the Governance Task Group and is recommended for adoption by the Committee. Once adopted, the Code will apply to all members and officers in the discharge of their duties.
EXECUTIVE SUMMARY
The updated Code of Corporate Governance has been drafted in accordance with the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance entitled

‘Delivering Good Governance in Local Government’. In this guidance, seven core principles that should underpin the governance framework of a local authority are defined.

The Audit Committee has authority to approve the above recommendations.

STATUTORY POWERS

1. The Council has statutory duties under section 5 of the Local Government and Housing Act 1989 ensuring lawfulness and fairness of decision making (the responsibility of the Monitoring Officer). Also, the proper administration of the Council’s affairs under section 151 of the Local Government Act 1972 (the responsibility of the Section 151 officer).

BACKGROUND

2. Each local authority is required to adopt a Code of Corporate Governance. The draft Code of Corporate Governance, as attached at annex 1, has been produced using the latest guidance by CIPFA and SOLACE.
3. The seven core principles that should underpin the governance framework of a local authority as outlined in the CIPFA/SOLACE guidance are:
 - i. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.
 - ii. Ensuring openness and comprehensive stakeholder engagement.
 - iii. Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - iv. Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - v. Developing the Council’s capacity, including the capability of its leadership and the individuals within it.
 - vi. Managing risks and performance through robust internal control and strong public financial management
 - vii. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.
4. The Council is required to prepare an Annual Governance Statement each year in order to report publicly on compliance with the Code and how the Council has met the requirements of the Accounts and Audit Regulations 2015. The annual review of governance will assess the level of compliance with the code’s governance principles.

KEY INFORMATION

5. A review of the Council’s Code of Corporate Governance has been undertaken to ensure that it is underpinned by the latest CIPFA and SOLACE guidance.
6. The new draft Code of Corporate Governance has been drawn up in consultation with the Monitoring Officer, the Head of Finance and the Head of Organisational Development.

7. The Governance Task Group considered the draft Code at its meeting on 10 September 2020. The Group recommended several changes and updates to ensure all the evidence had been captured and the Code supported long-term service improvements. The Group considered the amended draft Code at its meeting on 22 October 2020, where it agreed to recommend the updated Code for adoption to the Audit Committee.
8. The information set out in the framework within the Code demonstrates that the Council continually seeks to ensure it remains well governed. The Code confirms the Council's recognition that to deliver good governance it must always seek to achieve its objectives whilst acting in the public interest.

OPTIONS

9. To consider and approve the adoption of the updated Code of Corporate Governance as attached in annex 1. Once adopted, the Code will apply to all Members and Officers in the discharge of their duties. The Council will be required to report publicly on its compliance with the Code in the Annual Governance Statement.
10. To consider the updated Code of Corporate Governance and suggest changes prior to approving the Code for adoption. There may be a delay in the adoption of the Code if the suggested changes are such that the Committee needs to consider the adoption of a newly drafted Code at a future meeting.
11. To reject the adoption of the updated Code of Corporate Governance. This is not recommended as the Code would not be in line with current guidance and would not properly reflect the work the Council does to ensure good governance.

LEGAL IMPLICATIONS

12. Corporate governance is the way in which the council directs and controls its arrangements to ensure that the intended outcomes for stakeholders are defined and achieved. A robust governance code provides assurance that the Council is meeting best practice in protecting its assets and serving the community.
13. Corporate governance is how the Council ensures it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
14. The Council has statutory duties to ensure proper governance of its members, officers, assets, services and decision making. Failure of the Council's corporate governance framework could result in unlawful decisions and conduct.

FINANCIAL IMPLICATIONS

15. There are none.

EQUALITIES IMPLICATIONS

16. There are none.

COMMUNICATION IMPLICATIONS

17. There are none.

RISK MANAGEMENT CONSIDERATIONS

18. The Council has statutory duties to ensure proper governance. A breakdown in governance creates a range of serious risks, including legal, financial and reputational.

OTHER IMPLICATIONS

19. There are none.

CONSULTATION

20. The Code of Corporate Governance has been drawn up in consultation with the Monitoring Officer, the Head of Finance and the Head of Organisational Development, and considered at a meeting of the Corporate Governance Group.

21. The Governance Task Group has reviewed the draft updated Code and suggested changes which have been incorporated into the attached Code.

BACKGROUND PAPERS

There are none.