



Audit and Governance Committee

| | |
|-----------------------------|---|
| Date: | 27 September 2023 |
| Reference number: | N/A |
| Title: | Local Code of Governance |
| Cabinet Member(s): | N/A |
| Contact officer: | Nick Graham, Director of Legal & Democratic Services Glenn Watson, Principal Governance Officer |
| Ward(s) affected: | N/A |
| Recommendations: | 1) To approve the Local Code of Governance for Buckinghamshire Council, as at Annex 1; 2) To ask the Service Director Legal and Democratic to maintain the Local Code throughout the year; 3) To review the Local Code annually, following adoption. |
| Reason for decision: | It is considered best practice for councils to adopt a Local Code of Governance. This report recommends a Code that is compliant with that best practice guidance. It sets out evidence of the Council's current governance under each of seven principles. |

1.1 Executive summary

- 1.1 This report invites the Committee to adopt a Local Code of Governance for Buckinghamshire Council (Annex 1). The adoption of a Code is not a statutory requirement but is recognised as national best practice. A code does not introduce new governance arrangements; nor does it provide a commentary; that role falls to the Annual Governance Statement. Rather, the Code is a description of the

governance already in place, itemising evidence to demonstrate how the Council complies with the seven Principles of Good Governance.

- 1.2 The Code is a single source of information to enable the public, councilors, partners, stakeholders and officers better to understand the Council's governance arrangements. Adopting a Code is consistent with the Council's Best Value Duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

2. Background - the 'good governance principles'

- 2.1 The 1992 Cadbury Committee report set out recommendations to mitigate corporate risk failures and defined corporate governance as the 'system by which organisations are directed and controlled'.
- 2.2 Many of these recommendations were adopted by public sector bodies and were complemented by the development of the Committee on Standards in Public life (the 'Nolan principles') to promote ethical standards across the whole of public life in the UK.
- 2.3 Building on this, the *Delivering Good Governance Framework 2016* was developed for local government by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The Framework sets out seven "Principles of Good Governance" each of which is expanded upon through "sub-principles."
- 2.4 The intention of the Framework is that a council should use it to demonstrate its existing good governance by "developing and maintaining a Local Code":

"To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in this Framework. It should therefore develop and maintain a local code of governance/governance arrangements reflecting the principles set out." (*Framework*, paragraph 11, page 5).
- 2.5 The Framework is not statutory and there is no legal obligation to adopt a Code, nor to follow a particular format for doing so.

3. The Principles and the Code

- 3.1 The seven Principles under the *Framework* are set out as A-G below. The Code

at Annex 1 cites evidence in relation to each. Establishing a Code is a beginning not an end. Understandably, the evidence cited will change over time. The aim is not to approve a once-for-all document but a working Code which can be “maintained” throughout the year albeit with formal annual review and approval by this Committee. It will also become a useful tool when carrying out future Annual Governance Statement reviews.

The seven principles:

- 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;
- E. Developing the Council’s capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

3.2 The format of the Code at Annex 1 follows the CIPFA Framework by:

- 1) Giving an overview of the essential elements of governance at Buckinghamshire
- 2) Evidencing the good governance in place

3.3 The Code does so by itemising and, where possible, linking to the evidence. The Committee is invited to consider and approve the Local Code of Governance. The Code is necessarily detailed and while the Committee may have views on the evidence cited, it is envisaged that the Committee may wish to adopt the Code and delegate authority to the Service Director Legal and Democratic to maintain it throughout the year, with annual review and approval undertaken by the Committee.

4. Context of the Code – Best Value Duty

4.1 Learning lessons about governance – the Council’s own and from wider local government experience – is integral both to the Council’s Best Value Duty and to this Committee’s remit. A Local Code is another tool to aid such learning at local level, providing visibility and accountability.

4.2 It also contributes to the ongoing emphasis on learning and improvement as

evidenced through the creation, recently, of the [Office for Local Government](#).

5. Legal and Financial Implications

- 5.1 The recommendations in this report do not raise any legal or financial implications. There is no legal obligation to adopt a Local Code and therefore no set timeframe for doing so. However, the best practice guidance is clear that a Local Code can be helpful in the preparation of the statutory Annual Governance Statement. This Committee has delegated responsibility for governance matters required by statute or guidance.

6. Corporate implications

- 6.1 The Local Code is useful in setting out the Council's current governance arrangements and can be used by the public, stakeholders, partners, councillors and staff to understand the Council's governance better. Adopting a Code now will enable it to be taken into account in preparing the Annual Governance Statement 2023/24.

7. Local councillors & community boards consultation & views

- 7.1 N/A

8. Communication, engagement & further consultation

- 8.1 N/A.

9. Next steps and review

- 9.1 If approved, the Local Code of Governance will be published on the Council's website and a hard copy deposited at the Council's offices and libraries. An annual review report will be brought to the Committee.

10. Background papers

- 10.1 CIPFA's 'Delivering Good Governance in Local Government: Framework' (2016 Edition).