

Report to:

AUDIT COMMITTEE

Relevant Officer:

Mark Towers, Director of Governance and Partnerships

Tracy Greenhalgh, Head of Audit and Risk

Date of Meeting:

29 April 2021

CODE OF GOVERNANCE

1.0 Purpose of the report:

1.1 To consider adopting a local code of governance, as recommended in the Annual Governance Statement Action Plan.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to recommend Council to adopt the attached Code of Governance and form part of the Council's Constitution.

2.2 Subject to 2.1 above that the Audit Committee be authorised to update the 'Blackpool Governance Framework' section at the end of the Code (specifically the supporting evidence for each of the thematic strands) each year when it produces the Annual Governance Statement, but any changes to the content of the code be referred to full Council (not including changes in legislation or decisions made from time to time by or on behalf of the authority).

2.3 Subject to 2.1 above that a report be brought back to the next meeting on a Partnership Governance Framework building on the same principles set out in the local Code of Governance.

2.4 That the Director of Governance and Partnerships be authorised to publish an interim Annual Governance Statement by 1 August 2021 following consultation with the Chief Executive, Leader of the Council and Chair of this Committee.

3.0 Reasons for recommendation(s):

3.1 The Annual Governance statement action plan agreed by Audit Committee in November 2020, identified that in terms of good practice the adoption of a local Code of Governance was recommended. The mechanics of the code are in place as the Council utilises the principles in the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance publication (2016) when it undertakes its Annual Governance Statement Self-Assessment, the adoption of a code with that at its heart though will clearly evidence how governance is monitored in Blackpool.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 An amended version of the attached, although it should reflect the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance publication (2016).

5.0 Council priority:

5.1 The proposed Code of Governance is relevant to all Council priorities.

6.0 Background Information

6.1 Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

6.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

6.3 The governance framework at Blackpool Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. These principles have been used in recent years to compile the Annual Governance Statement and form the heart of the proposed Code of Governance. The Blackpool approach has taken the form of using 15 thematic strands to document its assessment against the principles. This has been informally recognised as the 'Blackpool Governance Framework'. In undertaking this drafting of the code a further strand is recommended, that of 'Ethical and Responsible Governance' to reflect the Council's focus on climate emergency and equalities

and diversity. The proposed Governance Framework is appended to the end of the code. In the boxes underneath the thematic headings, there are examples of supporting evidence which were identified when the last review of the Annual Governance Statement was undertaken and considered by committee last November. It is recommended that this supporting evidence be updated as part of this year's Annual Governance Statement and also in future years.

6.4 An interim Annual Governance Statement has to be published by 1 August 2021 to accompany the draft annual accounts. The final Annual Governance Statement and final Statement of Accounts has to be agreed by the Committee by 30 September 2021. It is recommended the Director of Governance and Partnerships be delegated to authorise that an interim Annual Governance Statement be published by 1 August following consultation with the Chief Executive, Leader of the Council and Chair of this Committee.

6.5 A Partnership Governance Framework was also recommended as part of the Annual Governance Statement Action Plan. However, that would normally be based on the structure of the local Code of Governance and so when this code is agreed by the Committee then it is recommended that a draft Partnership Governance Framework will be brought to the next meeting of the Committee.

Does the information submitted include any exempt information?

No

7.0 List of Appendices:

7.1 Appendix 9(a) – Proposed Code of Governance.

8.0 Financial considerations:

8.1 There are no specific financial considerations in the report although financial management is a key strand of the proposed Governance Framework.

9.0 Legal considerations:

9.1 There is no legal requirement to have a local Code of Governance but it is recognised as good practice and will evidence and help state the Council's Governance Framework.

10.0 Risk management considerations:

10.1 Risk management and the control environment are key components of the proposed Code of Governance and accompanying Governance Framework.

11.0 Equalities considerations:

11.1 There are no equalities considerations as this is a monitoring report.

12.0 Sustainability, climate change and environmental considerations:

12.1 Ethical and responsible governance is a thematic area contained in the framework and the recognition of the climate change emergency is also referenced in the narrative.

13.0 Internal/ External Consultation undertaken:

13.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group will be to prepare the Annual Governance Statement and oversee the delivery of the identified actions. This is chaired by the Director of Governance and Partnerships. A Sub Group of this Group has been consulted on this proposed code. Consultation has also taken place with the Council's Corporate Leadership Team, the Leader and Deputy Leader of the Council and the Chair of this Committee.

14.0 Background papers:

14.1 None.