

Report to Audit Committee

Subject: The Local Code of Corporate Governance 2026/27

Date: 24 February 2026

Author: Monitoring Officer

Purpose

To seek approval for the updated Local Code of Corporate Governance 2026/27.

Recommendation

THAT:

The Local Code of Corporate Governance for 2026/27 be approved.

1 Background

- 1.1 Corporate governance is the system by which organisations are directed and controlled and it became an important concept following the Cadbury Committee's report in 1992 on financial aspects of corporate governance. As a consequence, all local authorities have sought to demonstrate compliance with best practice by drawing up a Local Code of Corporate Governance, based on CIPFA/SOLACE Guidance first published in 2007.

- 1.2 In April 2016, CIPFA and SOLACE published the publication "Delivering Good Governance in Local Government: Framework" which is in essence an updated version of the original 2007 publication. However, amendments to the framework include an update to the Core Principles and sub principles to ensure organisations demonstrate good governance by "Achieving the Intended Outcomes While Acting in the Public Interest at all Times". The Framework makes it clear that it is up to each local authority to:

- Set out its commitment to the principles of good governance;
- Determine its own governance structures and local Code; and
- Ensure that it operates effectively in practice.

1.3 In May 2025 an addendum to the CIPFA/SOLACE guidance was published. This addendum covered the annual review of governance and the annual governance statement. No changes were made to the seven principles of good governance contained in the original framework. The addendum reiterates the need for an annual review of governance against the seven governance principles and recommends the adoption of Local Godes of Governance.

1.3 The Local Code of Corporate Governance should set out the governance structures the Council has in place to demonstrate how it complies with the Core principles and sub-principles. It is a 'living document' in that it must be periodically reviewed and amended to ensure that it satisfies the changing financial and corporate environment. The Local Gode is comprehensive and provides evidence of the Council's alignment with good governance principles. It supports the Annual Governance Statement which provides assurance based on the core arrangements listed in the local code.

1.4 In order to support the Code of Governance and updated guidance, Senior Leadership Team and Assistant Directors have considered the Committee on Standards in Public Life recommendations for "Building Accountable Organisations" and identified any gaps. The Monitoring Officer has also undertaken a self-assessment of governance arrangements using the Local Government Association's Improvement and Assurance Framework to identify any further governance improvements required. Any areas identified for improvement has been incorporated into planned governance work for 2026/27 as set out within the Local Code of Corporate Governance.

1.4 The process of review of the Code is as follows:-

- Senior Leadership Team

The Senior Leadership Team (SLT) will review the Council's governance and risk management arrangements with support from the Corporate Risk Board and Budget and Performance Board and identify a work programme for ensuring these arrangements remain robust and up-to-date as and when necessary. SLT will also proactively review issues which may arise during the course of the Council's day to day business and take steps to address them. SLT will report directly to the Audit Committee as and when necessary.

- The Audit Committee

The Audit Committee has overall responsibility for the Council's governance and risk management arrangements, and will be the main Member review of those arrangements. The Committee will approve any amendments to the Local Code.

1.5 The Council's "Annual Governance Statement", reports on the extent that the Council complies with its own Code of Corporate Governance and whether those arrangements are adequate and operating effectively. The Annual Governance Statement will accompany the Statement of Accounts report.

2 Proposal

2.1 In accordance with the agreed process, Senior Leadership Team has reviewed the Local Code on Corporate Governance in consultation with Assistant Directors and has made a number of amendments to ensure that it remains up to date and fit for purpose. For ease of reference the amendments are shown in strikethrough and italics. Members will note that there has been a number of additions to the Code of Governance reflecting the work undertaken in 2025/26 including:

- The creation of a new Corporate Plan
- Review of the Risk Management Strategy and approach to risk management
- Updates to the Contract and procurement rules, and a review and change to the procurement function.
- Changes to performance reporting using new systems
- Approval of a Social Value Policy
- Approval of a new Corporate Consultation Policy (currently under review)
- New Website
- New Waste Management Software system
- New Customer Relationship Management System
- New Artificial Intelligence Policy
- New Identification and Verification Policy
- Review of Business Continuity Plans and Arrangements
- Review of Whistleblowing Policy
- Changes to Performance Management through the introduction of 1:1s
- New Succession Planning assessments

- Changes to a number of staffing policies including Absence Management, DBS checks and Sexual harassment
- Roll out of new Equality, Diversity and Inclusion Training
- Development of an Asset Management Plan and Strategy
- Condition Surveys across assets
- Development of a framework of policies in relation to temporary Accommodation
- Migration of the Council's finance system
- A number of consultations launched including in respect of the Local Plan Development and Leisure Strategy.

The Code also identifies work to be undertaken next year, including finalising the review of the Council's Counter Fraud and Corruption Strategy, migration of the Council's Employee System to the cloud with improved capability, establishing a planned approach to Local Government Reform, engaging further on Leisure Transformation, further Local Plan consultation and adoption of a Housing Strategy. In addition following the self-assessment under the Local Government Association self-assessment tool on Improvement and Assurance and the CSPL recommendation review, further actions have been identified including the need for improved staff consultation and engagement through more effective internal communications, (plans for which are already in progress), the preparation of a clear forward plan for Committees which has started in 2025/26 and corporate training for complaint handlers to ensure consistent responses across the organisation.

2.2 It is proposed that members approve the Code of Governance for 2026/27.

3 Alternative Options

3.1 Not to approve the Local Code of Governance or propose different amendments to the Code. As highlighted however, the requirement to have a Code is best practice as indicated by CIPFA/SOLACE guidance and supports the Annual Governance Statement required by statute by setting out clearly the Council's approach to governance across the organisation. The review undertaken for 2026/27 by SLT has been undertaken in consultation with Assistant Directors and reflects all required amendments.

4 Financial Implications

4.1 None directly arising from this report.

5 Legal Implications

5.1 The Code has been drawn up to demonstrate compliance with best practice as set out by CIPFA/SOLACE and supports the Annual Governance Statement which is required as part of the accounts process as required by statute and in particular the Accounts and Audit Regulations 2015.

6 Equalities Implications

6.1 None directly arising from this report, however it should be noted from the Code, training has been rolled out to officers and members in 2025/26 for completion into 2026/27. EDI is a key consideration in governance arrangements and compliance with the Equality Act 2010 and the Council's public sector equality duty.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 None directly arising from this report.

8 Appendices

8.1 Appendix 1 – Local Code of Corporate Governance for 2026/27

Appendix 2 - EIA

9 Background Papers

9.1 [Delivering Good Governance in Local Government: addendum | Solace Improvement and assurance framework: Self-assessment tool | Local Government Association](#)

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer

