

DECISION-MAKER:	STANDARDS AND GOVERNANCE COMMITTEE		
SUBJECT:	CODE OF CORPORATE GOVERNANCE - UPDATE		
DATE OF DECISION:	19TH APRIL 2010		
REPORT OF:	ASSISTANT SOLICITOR TO THE COUNCIL		
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STATEMENT OF CONFIDENTIALITY

None

SUMMARY

The Corporate Governance framework is well established to ensure best practice for a locally adopted Code of Corporate Governance (CCG) and for making adoptive practices understandable, open and explicit. The City Council already conforms to the ethos and principles of Corporate Governance and has a sound basis which has been recognised in the regular CPA and CAA assessments. There is a strong regulatory framework of control and there are robust arrangements for monitoring and review. The CCG is required to be updated on a regular basis.

RECOMMENDATIONS:

- (i) That the Standards and Governance Committee consider the updated Code of Corporate Governance (CCG), make any revisions considered appropriate and approve a final version.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council is required to adopt and keep up to date a Code of Corporate Governance as part of its Comprehensive Performance Assessment and in light of revised CIPFA guidelines.

CONSULTATION

2. Consultations have taken place with the Head of Audit and other officers together with District Audit.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. There are no alternative options which have been considered.

DETAIL

4. The Committee will recall at its meeting on 21st April 2008 it considered and approved the current CCG.
5. The draft document follows revised best practice and guidance from both CIPFA and other Codes of Corporate Governance adopted by unitary authorities. The CIPFA / SOLACE guidance on the corporate governance framework has been recently revised which necessitated a review of the CCG to ensure it reflects the most recent thinking, with revised emphasis focusing on partnership working.
6. Since that date, and especially over the last year, there have been changes which require reflection in the CCG; these should be clear from the track changed narrative in the draft CCG attached. For example, as noted in

previous reports partnership working is one of the City's strengths with a vast range of formal, informal, contractual and grant aided projects and relationships in place. It is fair to say that as the Council's partners are of all shapes and sizes, from the Southampton City PCT to small community organisations and that the governance arrangements to make those partnerships effective vary tremendously. For example, there are detailed contracts in place with organisations such as the PCT and Capita and simple letters outlining obligations in respect of small community entities; one size and approach does not fit all.

7. The Council adopted a Partnership Toolkit in 2009 in order to manage these relationships even better and the Solicitor to the Council has an ongoing work programme, based on risk, looking at significant governance arrangements with partners to ensure that duties and responsibilities are being discharged appropriately.

Additionally, in light of the integration of some significant services and arrangements in Adult Social Care with Southampton City PCT detailed governance arrangements have recently been put in place to manage this most significant partnership.

The CCG was not formally presented to the committee last year as at that time little of significance required revision. That does not detract from its importance or that of good governance arrangements generally, but moreover the Council was undertaking, as part of the CAA, a Use of Resources Key Line of Enquiry (KLOE) in relation to "good governance". As such it was considered by the Monitoring Officer that to undertake a full revision of the CCG was unnecessary as so many elements of the KLOE (part 2.3) overlapped with the CCG. The priority was therefore to undertake and compile the KLOE as this was the first time it had been required by the Audit Commission. The outcome of the KLOE was that the Council was awarded a score of 3 (out of 4) being a rating of "good" and one of the best in the country. Salient parts of the KLOE have been included or reflected in the updated CCG to ensure consistency.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

8. None.

Revenue

9. None.

Property

10. None.

Other

11. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. The preparation and adoption of an up to date CCG is part of the requirement of the annual governance statement as detailed in Regulation 4(2) of the

Other Legal Implications:

13. There are no direct legal implications arising from this report.

POLICY FRAMEWORK IMPLICATIONS

14. The Code of Corporate Governance accords with, and forms part of, the Council's adopted Policy Framework.

SUPPORTING DOCUMENTATION

Appendices

1.	Revised Code of Corporate Governance
2.	

Documents In Members' Rooms

1.	None.
2.	

Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	CIPFA / SOLACE Revised Core Principles	
2.	CAA Use of Resources KLOE 2.3 – Good Governance	

Background documents available for inspection at: Solicitor to the Council, Civic Offices, Southampton

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FORWARD PLAN NO: n/a

KEY DECISION? n/a

WARDS/COMMUNITIES AFFECTED: n/a