

**Manchester City Council
Report for Resolution**

Report to: Standards Committee – 19 March 2015
Audit Committee – 26 March 2015

Report of: Deputy City Treasurer

Subject: Refresh of the Code of Corporate Governance

Purpose of Report:

This report presents the key changes to the proposed refresh of the Council's Code of Corporate Governance. The draft Code is included as Appendix one.

Recommendations:

The Committee is invited to consider and comment on the refreshed Code of Corporate Governance.

Wards Affected:

All

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Background Documents:

None

1. Role of the Code of Corporate Governance

- 1.1 The Code of Corporate Governance is a public statement setting out the governance standards the Council will meet to ensure it is doing the right things, in the right way and operating in an inclusive, open, honest and accountable manner. It provides the organisation and internal and external auditors with assurance that the Council's governance standards are fit for purpose and up to date.
- 1.2 The Code is organised around six core principles which are based on the Principles of Public Life set out in *The Nolan Committee Report* published in May 1995. The Seven Principles of Public Life which should underpin good governance for public bodies are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
1. Focusing on the Council's purpose and community needs
 2. Having clear responsibilities and arrangements for accountability
 3. Good conduct and behaviour
 4. Taking informed and transparent decisions that are subject to effective scrutiny and risk management
 5. Developing the capacity and capability of Members and Officers to be effective
 6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 1.3 The Code forms part of Manchester City Council's Constitution and is included in Part 6, 'Codes and Protocols'.

2. Reviewing the Code of Corporate Governance

- 2.1 CIPFA (the Chartered Institute of Public Finance and Accountancy) urges local authorities to ensure their Code of Corporate Governance remains up to date. The Code is reviewed annually and where there are any changes, these are considered by Standards and Audit Committee in accordance with the Terms of Reference for these committees set out in the Constitution. At the last review the Code was found to be fit for purpose and no changes were required.
- 2.2 The Council also produces an Annual Governance Statement (AGS) that reports how the governance commitments in the Code of Corporate Governance have been met.
- 2.3 The proposed refresh of the Code reflects key policy and legislative changes that have implications for the Council since the last revision. The revisions aim to inform the public of:
- The emerging new vision for the city which will replace Manchester's Community Strategy 2006-2015 – "The Manchester Way" and cross-sector partnerships which aim to develop and implement the vision

- New powers for the Youth Council to make representations and have matters referred to the Council's Scrutiny Committees. In March 2013 the Audit Committee advised that the Youth Council should be consulted on the Code to ensure the council's governance commitments could be understood by all. Council officers met the Youth Council to discuss the Code with them. Their comments led to the establishment of ten commitments to good governance which summarise the principles and aims of the Code in plain, clear language
- Revised procedures to implement existing and new legislation and regulations such as the Localism Act 2011 and the Code of Recommended Practice for Local Authorities on Data Transparency 2014
- Revised guidance for Members on the use of council resources and ethical governance
- The new Social Media Policy and Code of Practice for managing and maintaining social media to reduce the risks of any breaches of legislation or reputational damage

3.0 Adopting the refreshed Code

- 3.1 The refreshed Code of Corporate Governance will be considered by Standards and Audit Committees prior to its submission, as part of the Constitution, to the Annual Meeting of Council on 20 May 2015, where it will be recommended for adoption.
- 3.2 The Committee is invited to consider and comment on the proposed refresh of the Code of Corporate Governance.