

**Manchester City Council
Report for Information**

Report to: Standards Committee – 1 November 2018
Subject: Draft Code of Corporate Governance
Report of: Deputy Chief Executive

Summary

This report proposes a revised draft Code of Corporate Governance which is in accordance with published guidance. Compliance with this Code will be monitored on an annual basis through the Council's Annual Governance Statement.

Recommendations

Standards Committee is invited to comment on the Council's draft governance standards set out in the draft Code of Corporate Governance.

The Code will subsequently be submitted to Audit Committee, and then to Council for approval within the Constitution.

Wards Affected: All

Contact Officers:

Name: Sara Todd
Position: Deputy Chief Executive
Telephone: 0161 234 3286
E-mail: s.todd@manchester.gov.uk

Name: Courtney Brightwell
Position: Performance Manager (Place and Core)
Telephone: 0161 234 3770
E-mail: c.brightwell@manchester.gov.uk

Name: Sean Pratt
Position: Performance, Research and Intelligence Officer
Telephone: 0161 234 1853
E-mail: s.pratt@manchester.gov.uk

1. Introduction and Context

- 1.1 The Accounts and Audit Regulations 2015 require local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control. This review must be documented in an Annual Governance Statement (AGS) and published as part of the Council's Annual Accounts. The Statement must be prepared in accordance with proper practices, including those set out in CIPFA and IFAC's¹ *"Delivering Good Governance in Local Government: Framework (2016)"*.
- 1.2 The Framework has applied to Annual Governance Statements prepared for the financial year 2016/17 onwards. The AGS involves an assessment of the extent to which the Council has adhered to the governance standards set out in its Code of Corporate Governance (the Code).
- 1.3 In 2016 the Council's Code was fully updated in accordance with the revised Framework. Alongside the CIPFA principles, the vision and values of the organisation – the Our Manchester principles - are at the heart of the Council's approach to governance. Our Manchester was therefore also integral to the way the standards in the Code were defined when it was reviewed.
- 1.4 It is necessary to keep the Code under review to ensure the contents remain accurate, up to date, and that they reflect all applicable relevant legislation. While substantial changes are not proposed for this update of the document, some amendments are required. Changes include:
 - Inclusion of GDPR (General Data Protection Regulation) and DPA (Data Protection Act) 2018.
 - Wording to reflect updated policies, such as the Capital Strategy and GMCA (Greater Manchester Combined Authority) policies.
 - Additional wording to note the Council's commitments in relation to delivering sustainable economic, social and environmental benefits which strengthens the links between the Code and the evidence base included in the AGS.
 - An expanded explanation of how the Council achieves intended outcomes, for example by considering Social Value through procurement.
- 1.3 The Code sets out the governance standards for the Council but deliberately does not include details of how these standards will be achieved. This will be described in the next Annual Governance Statement which will set out evidence of compliance for each different aspect of the Code. Standards Committee is invited to review the draft Code and comment on the extent to which it feels the governance standards described are the right ones for the Council.

¹ CIPFA is the Chartered Institute of Public Finance and Accountancy. IFAC is the International Federation of Accountants.

1.6 The Council's Constitution notes the role of Standards Committee in considering revisions to the Code. The Code itself details the responsibility of the Committee for promoting and maintaining high standards of conduct amongst Members, for advising the Council on the adoption and revision of the Code of Conduct for Members, and for monitoring the operation of the Code.

2. Next Steps

2.1 The Code will be submitted to Audit Committee on 10 December 2018. The Code forms part of the Council's Constitution and will therefore then be submitted to Council for adoption and inclusion within a revised Constitution at its meeting in January 2019.