

Manchester City Council Report for Information

Report to: Audit Committee – 29 November 2022

Subject: Draft Code of Corporate Governance

Report of: Deputy Chief Executive and City Treasurer

Summary

This report proposes both a revised draft of the Council's Code of Corporate Governance (the Code) which is in accordance with published guidance, and a revised process. Compliance with the Code is monitored on an annual basis through the Council's Annual Governance Statement.

Recommendations

Audit Committee is invited to comment on the Council's revised draft Code of Corporate Governance, and to recommend to the Council that responsibility for approval of the Code of Corporate Governance is delegated to the Audit Committee, as set out in the recommendations section at the end of the report.

Wards Affected: All

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1. Introduction and Context

- 1.1 The Council maintains a local Code of Corporate Governance (the Code), which is recommended as good practice for local authorities by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code sets out the Council's governance standards. These standards ensure the Council is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner.
- 1.2 The framework for the Code is based on the seven principles of good governance for local authorities which are set out in the CIPFA and Society of Local Authority Chief Executives (SOLACE) guidance "Delivering Good Governance in Local Government: Framework (2016)". The revised Code deals with each of these principles in turn.
- 1.3 Alongside the seven CIPFA Framework principles, the vision, culture, and values of the Council – the Our Manchester behaviours, and Our Manchester Strategy – are at the heart of the Council's approach to governance. Our vision, culture and values have shaped the commitments which are set out in the Code, and which articulate the Council's approach to meeting the seven principles of good governance.
- 1.4 The Code sets out the Council's governance commitments, but it deliberately doesn't include details of how these commitments have been met. How these commitments have been met is set out in the Governance Framework section of the Council's Annual Governance Statement (AGS). In the AGS, hyperlinks are provided where the reader can access more information about examples of governance in action, for example key strategies and reports.

2. Improvements to the Code

- 2.1 A review of the Code has been carried out to improve the document and process. This has included a review of good practice across peer local authorities such as Core Cities (including Leeds, Bristol, and Birmingham), other Greater Manchester authorities and examples highlighted by CIPFA (including Lambeth and Westminster).
- 2.2 Key aims of the review included:
 - To produce a more concise, accessible, and easily digestible document, so that stakeholders can more clearly understand the Council's governance commitments.
 - To reduce the resources needed to update the Code in future, in line with the principles of the Future Shape of the Council transformation programme.
- 2.3 Some of the key improvements which have been made are as follows:
 - The Code is now a much more concise document (10 pages, compared to 23 pages for the previous version).

- There is a focus on a series of concise and clear bullet point commitments, to improve the communication of the document to key stakeholders such as Heads of Service. This replaces long paragraphs of text in the previous version.
- The document fully meets digital accessibility standards.
- Removal of excessive detail means that the document will become out of date less frequently, helping to improve the efficiency of the update process, and less resources in terms of officer time will be needed to update the document.

2.4 The Code will be made publicly available on the Council's 'Key Governance Documents' webpage, where the Annual Governance Statement can also be accessed. It is proposed that the document will no longer be contained in the Council's Constitution, which is not a mandatory requirement. This will support the efficiency of the production process, making it more agile, and improve the public accessibility of the document. In future, the timetable for update can be determined by when it is prudent to reflect any significant changes in the Council's approach to governance in the Code, rather than this being constrained by the fixed update cycle of the Constitution. It is anticipated that an update of the Code may be required every two to three years. Updates to the Code will continue to be submitted to both Standards Committee and Audit Committee, which is the same as current practice.

3. Next Steps

3.1 Once any comments from Audit Committee have been incorporated, a final version will be uploaded to the Council's 'Key Governance Documents' webpage. Once finalised, the updated Code will be communicated to key stakeholders including Heads of Service, to support effective understanding and delivery of the Council's commitments to good governance across the organisation.

4. Recommendation

4.1 If Audit Committee support the proposal at paragraph 2.4 of the report it is asked to recommend to the Council that responsibility for approval of the Code of Corporate Governance is delegated to the Audit Committee and that in doing so the Council agree to:

- Changing the delegations to the Audit Committee set out in the Council's Constitution so that approval of the Code of Corporate Governance is the responsibility of Audit Committee.
- Deleting the reference to the Code of Corporate Governance from the Council's Policy Framework at Article 4 of the Council's Constitution; and
- Removing Section G of Part 6 ("Manchester City Council - Code of Corporate Governance") from the Council's Constitution.