

## Manchester City Council Report for Information

**Report to:** Standards Committee – 31 October 2024

**Subject:** Draft Code of Corporate Governance

**Report of:** City Solicitor and City Treasurer

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### Summary

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

### Recommendations

The Committee is recommended to comment on the Council's revised draft Code of Corporate Governance.

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### Wards Affected:

All

**Environmental Impact Assessment** - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The commitments set out in the Code reflect the fact that the Council has declared a climate emergency by making carbon reduction a key priority in the Council's governance arrangements, which includes arrangements with partners.

**Equality, Diversity and Inclusion** - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The Code contains several commitments relating to improving our practices around equality, inclusion and community engagement and references our legal obligations under the Equality Act 2010, including the Public Sector Equality Duty.

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	<p>One of the Council's governance commitments, as set out in the Code, is to ensure that outcomes are focused on achieving delivery of the overall vision for the city in the Our Manchester Strategy.</p> <p>The Annual Governance Statement (AGS), which is a separate document, explains how the Council has complied with the Code.</p> <p>Examples of key governance arrangements which enable the Council to deliver Our Manchester Strategy outcomes are set out in the Governance Framework section of the AGS (section 4).</p>
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

Not applicable

### **Financial Consequences – Capital**

Not applicable

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the officers above.

- Code of Corporate Governance, revised 2022
- Reports to Audit Committee [29 Nov 2022] and Standards Committee [3 Nov 2022]
- Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE), 'Delivering Good Governance in Local Government' framework, 2016

## **1.0 Introduction**

- 1.1 The Council maintains and complies with a 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, to ensure that the Council is doing the right things, in the right way, in a timely, inclusive, open, effective, honest and accountable manner.
- 1.2 The Local Government Association's [Improvement and Assurance Framework](#) (May 2024) states that 'All members have a responsibility to oversee effective governance, and all officers have a duty to comply with good governance and provide information to demonstrate that compliance.' The Code is one of the Council's mechanisms to ensure that members and officers are aware of their accountability for good governance.

## **2.0 Background**

- 2.1 The Code is based on the seven national principles of the Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives (CIPFA) 'Delivering Good Governance in Local Government' framework, published in 2016. The Code was last reviewed in 2022, which included a review of good practice across peer local authorities. Significant improvements were made, leading to a much more concise and accessible document which aids clearer communication of our governance standards to all stakeholders.
- 2.2 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.
- 2.2 The Code ensures that senior officers have a shared and consistent understanding of the Council's expectations around governance standards. The Council's Heads of Service annually self-assess their service's compliance with the commitments in the Code, via a questionnaire. This in turn provides part of the evidence base for the Council's statutory Annual Governance Statement (AGS) on organisational compliance with the commitments in the Code. The survey also shines a light on any areas where support may be required and improvements can be made.
- 2.3 The Code is structured around seven principles and twenty-two sub-principles, which each contain several 'we will' commitments to deliver against the principles. The AGS then contains examples of how we have delivered against each commitment.

## **3.0 Updates made to the Code following review**

3.1 The Code has been reviewed and updated in consultation with relevant senior officers. Broadly the Code remains fit for purpose, with a small number of revisions having been made following this process, which include:

- Inclusion of references to new guidance and standards, such as the 2024 SOLACE/CIPFA/LLG<sup>1</sup> Code of Practice on Good Governance for Local Authority Statutory Officers (see Code document section A3). Our commitment on internal audit standards now reflects that the prevailing standards for local government are due to be amended shortly (section G3)
- New references to ensuring accessibility in our online and social media communication channels (sections B1, B3, G1)
- Enhanced emphasis on meaningful and trusted community engagement with community partners throughout (sections B3, C1, C2, D1)
- A new commitment on our corporate data management standards and the importance of ensuring high data quality throughout the organisation (section F5)
- Clearer commitments around workforce inclusion (section C2) and employee development and policies (section E2)
- Ensuring that commitments linked to delivery of the Our Manchester Strategy apply to the forthcoming 2025-35 strategy update, as well as the current strategy which runs through until 2025 (for example section C2)

#### **4.0 Next Steps**

4.1 The Code will be submitted to Audit Committee in January 2025. Once any comments from Standards and Audit Committees have been incorporated, a final version will be uploaded to the Council's 'Key Governance Documents' webpage. The updated Code will then 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.

4.2 The Code will continue to be kept under review to ensure that it remains fit for purpose. When it is prudent to reflect any significant changes in the Council's approach to governance, further revisions will be brought to Standards and Audit Committees. It is anticipated that further updates of the Code may be required every two to three years.

#### **5.0 Recommendations**

The Committee is recommended to comment on the revised draft Code of Corporate Governance at Appendix 1.

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<sup>1</sup> The Chartered Institute of Public Finance and Accountancy; Society of Local Authority Chief Executives; Lawyers in Local Government.