

FINANCE, AUDIT & RISK COMMITTEE
12th March 2025

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: LOCAL CODE OF CORPORATE GOVERNANCE 2025

REPORT OF: POLICY AND COMMUNITIES MANAGER

EXECUTIVE MEMBER: [NON-EXECUTIVE FUNCTION]

COUNCIL PRIORITY: THRIVING COMMUNITIES / ACCESSIBLE SERVICES / RESPONSIBLE GROWTH / SUSTAINABILITY

1. EXECUTIVE SUMMARY

1.1. For the Finance, Audit & Risk Committee to approve the Local Code of Corporate Governance for 2025.

2. RECOMMENDATIONS

2.1. Approve the Local Code of Corporate Governance 2025 (Appendix A).

3. REASONS FOR RECOMMENDATIONS

3.1 It is recommended practice to review the Local Code of Corporate Governance each year to ensure it remains up to date and relevant.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. There are no alternative options to be considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. No other external or Member consultation has been undertaken on the content of the report.

6. FORWARD PLAN

6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

7.1 It is recommended good practice for the Local Code of Corporate Governance ('the Local Code') to be reviewed annually. It was last updated in March 2024. It was based on the (2016) CIPFA/ SOLACE Framework Delivering Good Governance in Local Government Framework 2016 Edition principles. This remains the basis for an assessment of

governance arrangements for the 2024/25 period. The Council's vision and objectives for the period 2024-2028 (approved in September 2024) have been added in at Section 4 of Appendix A.

- 7.2 If the Code is approved by this Committee, it will be placed on the NHC Corporate Governance internet page. Confirmation of the updated Code shall be provided to Members through the MIS process and to employees via the *Insight* monthly staff briefing. The Code and the CIPFA/SOLACE Framework will then provide the effective scheme against which the AGS operational governance compliance will be measured.
- 7.3 CIPFA and Solace propose to update the guidance with an Addendum. The aims of the Addendum are to support good governance in the sector, reflect the changes affecting governance in local government bodies since 2016, encourage robust reviews of governance arrangements and improve accountability to stakeholders, including local communities. At the time of writing this report, consultation on this addendum is open and will be closing on the 10th March 2025. The final version of this addendum is due to be completed at the end of April / beginning of May. The current consultation does not change the 2016 Framework Principles so the update of the local code is not affected at this time. In line with guidance from CIPFA, the addendum will be considered when compiling the AGS 2024/25, and will be applied in the AGS for 2025/26 and the Local Code for 2026.

8. RELEVANT CONSIDERATIONS

- 8.1. The Local Code 2025 is at Appendix A.

9. LEGAL IMPLICATIONS

- 9.1. The Terms of Reference of this Committee under 10.1.5(i) are: "To ensure that an annual review of the effectiveness of internal controls (accounting records, supporting records and financial) systems is undertaken and this review considered before approving the Annual Governance Statement." Review and approval of the AGS is a non-executive function and falls within the Committee's remit.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Ineffective corporate governance arrangements have a number of inherent risks in the context of organisational management, the use of resources and service delivery. Approving, and subsequently following, a Local Code of Corporate Governance based on the national CIPFA/ SOLACE Framework is a means of mitigating potential risks.

12. EQUALITIES IMPLICATIONS

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no direct equality implications of this report. Where relevant, the Council's arrangements have been assessed against the 2016 Framework Principles. In respect of those arrangements, the upcoming Leadership AGS self-assessment identifies the procedures in place and any outcomes and will have considered the draft addendum. Council reports include any equality implications and are assessed by the Corporate Policy Team. Where appropriate an impact assessment will be undertaken, and mitigation measures identified by the report author and Policy team. The Corporate Policy team undertake an Annual Cumulative Equality Impact Assessment of these and publish it on the Council's website¹.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and "go local" policy do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

14.1 There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct human resource implications relating to this report.

16. APPENDICES

16.1 Local Code of Governance 2025 (Appendix A)

17. CONTACT OFFICERS

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¹ https://www.north-herts.gov.uk/sites/default/files/2024-10/Cumulative%20Equality%20Assessment%202023-24%20final_0.pdf

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18. BACKGROUND PAPERS

18.1 [Consultation on updated guidance on the annual review](#)