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| <b>Item No.</b><br>21.             | <b>Classification:</b><br>Open | <b>Date:</b><br>5 Feb 2024                           | <b>Meeting Name:</b><br>Audit, governance and standards committee |
| <b>Report title:</b>               |                                | Review of code of corporate governance               |   |
| <b>Ward(s) or groups affected:</b> |                                | All  |   |
| <b>From:</b>                       |                                | Assistant Chief Executive (Governance and Assurance) |   |

## RECOMMENDATION

1. That the audit, governance and standards committee formally adopts the revised code of corporate governance (attached at Appendix A), subject to any changes it would wish to make.

## BACKGROUND INFORMATION

2. The council has had a code of corporate governance since 2008. Following publication of the new framework in 2016 published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) the council's governance framework has been assessed in line with the seven principles of good governance.
3. The CIPFA framework was published at a time of significant change for local authorities, driven by austerity measures. It positioned the attainment of sustainable economic outcomes as a key focus of governance processes and structures and provided a crucial link between governance and robust financial management with a need to focus on the longer term.
4. This continues to be a much needed focus as the local government sector has faced a series of economic and social shocks since 2016. Currently, high rates of inflation and interest rates and the impact of the cost of living crisis has added significant additional demand and cost pressures on local authorities. This code of governance creates a framework for how the council can pursue its vision, whilst managing risk and ensuring long term financial sustainability. The code has been now been reviewed and updated to ensure that it adequately reflects the processes and behaviours needed to enable the council to maintain good governance

## KEY ISSUES FOR CONSIDERATION

5. The function of good governance is to ensure that the authority achieves its stated objectives and outcomes whilst operating in an effective and ethical manner and the purpose of the code of corporate governance is to set out what the council does to ensure that it will meet those objectives.
6. To achieve the above stated objectives and outcomes, the Code of Governance has been updated in line with the 'Southwark Plan 2022', 'Council Delivery Plan', 'Fairer Future medium term financial strategy 2022-23 to 2026-27', 'Equality Framework', 'Southwark Stands Together' and the 'Climate strategy and action plan'
7. The code of corporate governance and governance arrangements will be reviewed on an ongoing basis (and at least annually) and where necessary action plans will be

agreed to address any gaps.

### Policy implications

8. This report is not considered to have direct policy implications. The proposed revised code sets out the arrangements the council has in place which will help ensure that it will meet its stated objectives and outcomes whilst operating in an effective and ethical manner.

### Community impact statement

9. The proposed changes to the code are not considered to have a significant impact on any particular community or group.

### Resource implications

10. There are no direct resource implications in this report.

### Consultation

11. The Code of Governance was reviewed by the Corporate Management Team on the 23<sup>rd</sup> January 2024.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

12. None required.

### BACKGROUND DOCUMENTS

| Background Papers   | Held At  | Contact  |
|---|--|--|
| Southwark Plan 2022   | <a href="https://www.southwark.gov.uk/assets/attach/94325/Southwark-Plan-2022.pdf">https://www.southwark.gov.uk/assets/attach/94325/Southwark-Plan-2022.pdf</a>  | 160 Tooley Street, London, SE1 2QH<br>Available from reception |
| Council Delivery Plan   | <a href="https://www.southwark.gov.uk/assets/attach/162473/Council-Delivery-Plan-CDP-22-26-FINAL.pdf">https://www.southwark.gov.uk/assets/attach/162473/Council-Delivery-Plan-CDP-22-26-FINAL.pdf</a>  | 160 Tooley Street, London, SE1 2QH<br>Available from reception |
| Fairer Future medium term financial strategy 2022-23 to 2026-27 | <a href="https://www.southwark.gov.uk/assets/attach/103141/Fairer-Futures-MTFS.pdf">https://www.southwark.gov.uk/assets/attach/103141/Fairer-Futures-MTFS.pdf</a>  | 160 Tooley Street, London, SE1 2QH<br>Available from reception |
| Southwark Council Equality Framework                            | <a href="https://www.southwark.gov.uk/assets/attach/93681/Southwark-Equality-Framework-summary.pdf">https://www.southwark.gov.uk/assets/attach/93681/Southwark-Equality-Framework-summary.pdf</a>  | 160 Tooley Street, London, SE1 2QH<br>Available from reception |
| Southwark Stands Together                                       | <a href="https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together">Southwark Stands Together</a><br><a href="https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together">https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together</a> er -<br><a href="https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together">Southwark Council</a> | 160 Tooley Street, London, SE1 2QH<br>Available from reception |

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|----------------------------------|---|--|
| Climate strategy and action plan | Climate Change Strategy<br><a href="https://www.southwark.gov.uk/assets/attach/48607/Climate-Change-Strategy-July-2021-.pdf">https://www.southwark.gov.uk/assets/attach/48607/Climate-Change-Strategy-July-2021-.pdf</a>            | 160 Tooley Street,<br>London, SE1 2QH<br>Available from<br>reception |
|                                  | Climate Change Action Plan<br><a href="https://www.southwark.gov.uk/assets/attach/128550/Climate-Change-Action-Plan-Accessible.pdf">https://www.southwark.gov.uk/assets/attach/128550/Climate-Change-Action-Plan-Accessible.pdf</a> |  |

## APPENDICES

| No.        | Title                        |
|------------|------------------------------|
| Appendix A | Code of corporate governance |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Lead Officer</b>   | Doreen Forrester-Brown, Assistant Chief Executive (Governance and Assurance) |                          |
| <b>Report Author</b>  | Sarah Feasey, Head of Law (Communities)                                      |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 26 January 2024  |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments sought</b>   | <b>Comments included</b> |
| Assistant Chief Executive (Governance & Assurance)                      | YES  | YES                      |
| Strategic Director of Finance   | YES  | YES                      |
| <b>Cabinet Member</b>   | N/A  | N/A                      |
| <b>Date final report sent to Constitutional Team</b>                    | 26 January 2024  |                          |