

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING
26 APRIL 2007

Corporate Governance Framework

OPEN	
COMMUNITY STRATEGY THEME	Internal Organisational theme
CORPORATE PLAN THEME	Improving Corporacy and Performance
KEY PRIORITIES	<ul style="list-style-type: none">• Corporate Development• Organisational Performance
CABINET MEMBER	Councillor John-Paul Campion (Finance & Corporate Affairs)
RESPONSIBLE OFFICER	Walter Delin, Chief Executive
CONTACT OFFICER	Peter Jones, Head of Chief Executive's Office (Ext 2723)
APPENDICES	Appx 1: Corporate Gov. Framework Appx 2: Progress Report (2006/07) Appx 3: Proposed Action (2007/08) <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details).</i>

1. PURPOSE OF REPORT

- 1.1 To carry out an annual review of the Council's Corporate Governance Framework (CGF).

2. RECOMMENDATION

The Cabinet is asked to DECIDE that:

- 2.1 The updated CGF in Appendix 1 to this report be agreed;
- 2.2 Action taken in accordance with the CGF during 2006/07, contained in Appendix 2, be noted; and
- 2.3 Proposed action to be taken in 2007/08, as set out in Appendix 3, be agreed.

3. BACKGROUND

- 3.1 'Corporate Governance' has been as defined¹ as "the system by which local authorities direct and control their functions and relate to their communities". Governance arrangements in the public sector are, not surprisingly, scrutinised

closely, given the fact the local authorities employ over 2 million people, account for 25% of public spending and provide services that are vitally important to all taxpayers and citizens.

1 Corporate Governance in Local Government: A Keystone for Community Governance (CIPFA / SOLACE, 2001)

3.2 Since 2001, local government has been subject to continued reform intended to improve local accountability and public engagement. This process continues, with the current Local Government and Public Involvement in Health Bill and recently-published report by the Lyons Inquiry raising fundamental issues and opportunities for local government, including:

- The strategic role of local government or 'place-shaping'
- The functions of local authorities and how they can help build a sense of community
- New structures for funding and accountability
- Devolution from central- to local government and on to communities and citizens
- Governance arrangements for partnerships, and
- Area-based performance management.

3.3 In future, it is possible that authorities will be less concerned with direct service delivery and more with commissioning and regulation, influencing behaviour and supporting their communities. Community leadership may become the most important feature of local governance.² These principles will be reflected in an updated framework currently being developed by CIPFA / SOLACE and expected to be published later this year - 'Good Governance in Local Government: A Framework'. This new framework will be reported to Members at the appropriate time for consideration and adoption.

4. KEY ISSUES

4.1 In the meantime, it is necessary to review the current framework and to update it accordingly. This is based on the CIPFA / SOLACE model Corporate Governance in Local Government: A Keystone for Community Governance published in 2001 and is consistent with the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services with CIPFA in 2004. The framework was adopted by the Council in February 2003 and is set out in the Appendices to this report as follows:

- i) **Appendix 1** contains the updated framework for approval, which reflects changes to the Council's structures, procedures and relevant documents
- ii) **Appendix 2** summarises action taken during 2006/07, and
- iii) **Appendix 3** lists proposed action to be taken during 2007/08.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications arising from this report.

6. LEGAL AND POLICY IMPLICATIONS

6.1 The contents of this report are within the Council's existing policy framework.

2 CIPFA / SOLACE consultation paper on the new framework (www.cipfa.org.uk)

7. RISK MANAGEMENT

7.1 Corporate governance is the framework of accountability to service users, stakeholders and wider community, within which the Council takes decisions and controls its functions to achieve its objectives. Implementation and monitoring of this framework reduces the likelihood of the Council failing to achieve these ends.

8. CONSULTEES

8.1 Corporate Management Team

9. BACKGROUND PAPERS

9.1 Corporate Governance in Local Government: A Keystone for Community Governance (*CIPFA / SOLACE, 2001*)