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# **Annual Review of the Council's Local Code of Corporate Governance**

Governance & Audit Committee

Decision to be taken by: Governance & Audit Committee

Date of meeting: 16 March 2026

Lead director: Amy Oliver, Director of Finance

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## Useful information

- Ward(s) affected: All
- Report author: Claire Gavagan
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- Report version number: 1

### 1. Summary

- 1.1. To present the Local Code of Corporate Governance to the Governance & Audit Committee for approval.

### 2. Recommendations

- 2.1. **The Governance & Audit Committee is recommended to:**
  - Approve the Local Code of Corporate Governance 2026/27, at Appendix 1.

### 3. Background

- 3.1. The Council has a Local Code of Corporate Governance and a Governance & Audit Committee. The committee has prescribed terms of reference that form part of the Council's constitution and are designed to enable the Committee to discharge its functions both as 'those charged with governance' generally and as the board-level oversight under the current Global Internal Audit Standards in the UK public sector (replacing the former Public Sector Internal Audit Standards - PSIAS).
- 3.2. There are clear linkages between the terms of reference and the local code in making up the Council's overall system of corporate governance. In order that they remain relevant and fit for purpose, each of these documents is subject to regular review.
- 3.3. Reporting on actual compliance (i.e., what we have achieved as an organisation in this regard) will be reported in due course through the Annual Governance Statement which is presented alongside the Statement of Accounts.

### 4. Local Code of Corporate Governance

- 4.1. A central component of the Council's system of governance is its Local Code of Corporate Governance. This reflects the main components set out in the CIPFA and SOLACE guidance "Delivering Good Governance in Local Government: Framework 2016". [New guidance](#) was also issued in May 2025 from CIPFA and Solace on the annual review of governance and internal controls, and the preparation of the annual governance statement (AGS).
- 4.2. The Local Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards.
- 4.3. The Local Code is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, as each year the Council conducts a review of compliance with the Code. The results of this feed into the

annual review of the effectiveness of the Council's system of internal control, thereby contributing to the Annual Governance Statement.

- 4.4. The Local Code has been refreshed for 2026/27 to reflect changes in strategies or policies.
- 4.5. The Local Code of Corporate Governance is given at Appendix 1.

## **5. Financial, legal and other implications**

### 5.1 Financial implications

Adequate and effective systems of corporate governance and assurance and an effective Governance & Audit Committee are all central components in the processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Such arrangements support the processes of audit and internal control that will help the Council as it faces financially challenging times.

Claire Gavagan, Assistant Director of Finance  
27 February 2026

### 5.2 Legal implications

Part 2 of the Accounts and Audit (England) Regulations 2015 obliges the Council to ensure that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council must conduct a review at least once in a year of the effectiveness of its system of internal control and following the review, must approve an annual governance statement.

Kevin Carter, Head of Law – Commercial, Property and Planning  
5 March 2026

### 5.3 Climate Change and Carbon Reduction implications

'Climate ready' is identified as one of the ten priorities in the City Mayor's Strategic Vision, the delivery of which is supported by effective governance arrangements. The council's strategy and key interventions for achieving the climate ready priority is set out in the Climate Ready Leicester Plan, approved by Council on 5 September 2024 and updated in 2025.

Phil Ball, Sustainability Officer, Ext 372246  
5 March 2026

### 5.4 Equalities Implications

The report seeks approval for the Local Code of Corporate Governance 2026/27, there are no direct equalities implications arising from the report. Good corporate

governance underpins confidence in public services and should be transparent to all stakeholders. Corporate governance is about the systems, processes, and values by which the Council operates and by which it engages with, and is held accountable to, our communities and stakeholders. Ensuring openness and comprehensive stakeholder engagement is important in effective corporate governance.

Surinder Singh, Equalities Officer, Ext 37 4148  
5 March 2026

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Sustainable and Environmental	No	
Crime and Disorder	Yes	This report is concerned with effective systems of governance and control, which are an important safeguard against
Risk Management	Yes	The whole report concerns the governance and assurance processes, a main purpose of which is to give assurance to Directors, the Council and this Committee that risks are being managed appropriately.

**6. Background information and other papers:**

N/A

**7. Summary of appendices:**

Appendix 1 – Local Code of Corporate Governance

**8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9. Is this a “key decision”?**

No

**Local Code of Corporate Governance 2026/27**

**INTRODUCTION**

The Council's Local Code of Corporate Governance is based on the CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework 2016" and the addendum issued in May 2025.

The International Framework defines Governance as arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework goes on to state that to deliver good governance in the public sector, both governing bodies and individuals working for them must aim to achieve their entity's objectives while acting in the public interest at all times.

The addendum issued in May 2025 provides further guidance on the Local Code of Corporate Governance and recommends that authorities adopt a local code of governance which sets out their governance arrangements, showing how governance principles are put into practice at their authority. The code should:

- clearly align to the principles in Delivering Good Governance in Local Government: Framework,
- take account of the best value statutory guidance or other statutory requirements of the appropriate national government,
- be up-to-date and reviewed regularly to ensure it takes account of changes in the authority and its environment,
- identify what arrangements the authority has put in place to achieve each principle, so it is specific to the authority,
- include values and behaviours as well as processes, as these influence the authority's culture,
- include how the code is reviewed and updated.

The Council is committed to the principles of good corporate governance as identified in the CIPFA/SOLACE guidance. Its commitment is confirmed through the adoption of its Local Code of Corporate Governance and its publication of the Annual Governance Statement. Both are reviewed annually by officers and presented to the Governance & Audit Committee for review and approval.

This document sets out the Council's *Local Code of Corporate Governance for 2026/27* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

## CORE PRINCIPLES

The Council's Code of Corporate Governance is based on the seven core principles. The illustration below shows the principles of good governance in the public sector and how they relate to each other.

### Achieving the Intended Outcomes While Acting in the Public Interest at All Times



## HOW THE COUNCIL ENSURES GOOD GOVERNANCE

The following details how the Council ensures good governance and complies with the CIPFA/SOLACE “Delivering Good Governance Framework” (2016) and the addendum issued in May 2025.

<b>Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</b>
<b>We have the following codes, rules and values which are followed:</b>
<ul style="list-style-type: none"><li>• Constitution</li></ul>
<ul style="list-style-type: none"><li>• Financial Procedure Rules</li></ul>
<ul style="list-style-type: none"><li>• Code of Conduct for Members</li></ul>
<ul style="list-style-type: none"><li>• Code of Conduct for Employees</li></ul>
<ul style="list-style-type: none"><li>• Anti-fraud, Bribery &amp; Corruption Policy</li></ul>
<ul style="list-style-type: none"><li>• Whistleblowing Policy</li></ul>
<ul style="list-style-type: none"><li>• Information Governance &amp; Risk Policy</li></ul>
<ul style="list-style-type: none"><li>• Anti-Money Laundering Policy</li></ul>
<ul style="list-style-type: none"><li>• Contract Procedure Rules</li></ul>
<ul style="list-style-type: none"><li>• Generative Artificial Intelligence (GenAI) policy</li></ul>
<ul style="list-style-type: none"><li>• Our established set of values - Accountability, Clarity, Confidence, Fairness and Respect</li></ul>

**Ensuring openness and comprehensive stakeholder engagement.**

**We show openness and engagement through the following:**

- Open Council & committee meetings with published minutes
- Published Executive Decisions
- Scrutiny of Executive projects through commissions
- Call in periods for Executive decisions
- Public engagement through consultation, representations and petitions
- Use of social media engagement on key projects and partnership working
- Publication of Freedom of Information Act responses and transparency data
- A range of communication channels including press-release and other communications linked to significant decisions and council activity

**Defining outcomes in terms of sustainable economic, social and environmental benefits**

**The City Mayor has set out a strategic vision underpinned by ten priorities which relate to:**

- Supporting people
- Supporting communities
- A good home
- A good job
- Safe, clean streets
- Climate ready
- Our well-being

- Our children and young people

- Our quality of life

- Our care services

### **Determining the interventions necessary to optimise the achievement of the intended outcomes**

#### **The priorities are supported by the following key plans:**

- Budget Strategy (updated annually)

- Leicester's homelessness strategy 2023-2028

- Equality and diversity strategy 2024-28

- Anti-poverty strategy

- Leicester's Health, Care and Wellbeing Strategy 2022-2027

- Get Leicester, Leicestershire and Rutland Working Plan 2025-2035

- Street Design Guide

- Heart of Leicester – A ten year plan

- Creative and Cultural Industry Strategy

- Local Plan – expected to be adopted by Summer 2026

- Active Leicester 2023-2028 Strategy

- Bus Service Improvement Plan 2024 – 10 year plan

- Voluntary, Community and Social Enterprise Engagement strategy: 2023-2027

- Climate Ready Leicester Plan

**Examples of the Council's commitment to achieving good governance in practice is demonstrated below**

**Principle: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

**The Council is supported by:**

- The Golden Triangle of Statutory Officers (Head of Paid Service, Chief Finance Officer, and Monitoring Officer)
- Governance services including Member and Civic Support Services, who also support member development
- An Organisational Development Team, who ensure effective development of employees
- A communications function which includes PR, Media and Digital Media Teams
- A staff intranet and established internal communication channels, which provide guidance to staff
- Partnership working on key priorities
- An Information Governance Team to support our data policies
- Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance

**Principle: Managing risks and performance through robust internal control and strong public financial management**

**We review processes and delivery throughout the year supported by:**

- Internal Audit
- External Audit
- Information Governance
- Governance & Audit Committee

<ul style="list-style-type: none"> <li>• Regular reporting of Capital and Revenue spend during a year</li> </ul>
<ul style="list-style-type: none"> <li>• Annual review of the Local Code of Corporate Governance</li> </ul>
<ul style="list-style-type: none"> <li>• Annual review of risk management strategy and policy and regular monitoring, evaluation and reporting on strategic and operational risks</li> </ul>
<ul style="list-style-type: none"> <li>• Annual review of the Assurance Framework</li> </ul>
<p><b>Principle: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p>
<p><b>How the Council demonstrates good practice and ensures accountability:</b></p>
<ul style="list-style-type: none"> <li>• External Audit</li> </ul>
<ul style="list-style-type: none"> <li>• Annual Financial Statements</li> </ul>
<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> </ul>
<ul style="list-style-type: none"> <li>• Open Council &amp; committee meetings with published minutes</li> </ul>
<ul style="list-style-type: none"> <li>• Compliance with CIPFA codes of Practices (including the Financial Management Code)</li> </ul>
<ul style="list-style-type: none"> <li>• Scrutiny Committees and regulatory committees</li> </ul>
<ul style="list-style-type: none"> <li>• External inspections and reviews of services</li> </ul>

Additional information on many of the areas detailed above can be found on the Council's website; [Home - Leicester City Council](#)

## ANNUAL REVIEW OF GOOD GOVERNANCE

The Council is annually required to assess how effective its governance arrangements are and report this through the Annual Governance Statement. The assessment of the Council's effectiveness is completed by following the framework below.

