

East Herts Council Report

Standards Committee

Date of meeting: Tuesday 28 January 2025

Report by: Councillor Joseph Dumont – Executive Member for Corporate Services

Report title: Code for Local Authority Statutory Officers

Ward(s) affected: (All Wards);

Summary – Updating the Standards Committee on the Code of Practice on Good Governance for Local Authority Statutory Officers, produced collaboratively between SOLACE, CIPFA and LLG.

RECOMMENDATIONS FOR STANDARDS COMMITTEE:

- a) To consider the Code and provide any comments to the Monitoring Officer.
- b) That the Committee recommend to Council the formal adoption of the Code.

1.0 Proposal(s)

- 1.1 That the Standards Committee provide any comments to the Monitoring Officer and recommend formal adoption of the Code to Council.

2.0 Background

- 2.1 Working together, SOLACE, CIPFA and LLG have produced a Code of Practice on Good Governance for Local Authority Statutory Officers (“the Code”), focusing on the three main statutory roles every local authority must have, the Head of Paid Service, Chief Finance Officer, and Monitoring Officer, referred collectively as the ‘Golden Triangle’.
- 2.2 The Code sets out how these roles are central to the governance, decision-making, and legal compliance of a local authority. This report is intended not only for Statutory Officers but also for senior management and elected members, who play an integral role in supporting governance within the authority.

2.3 The 'Golden Triangle' is responsible for ensuring that the authority's governance structure is sound and compliant, and their working relationship is essential for effective governance, particularly during times of organisational or financial stress.

2.4 The three points of the 'Golden Triangle' are made up of the following Statutory Officers:

i. Head of Paid Service

The role of Head of Paid Service is typically undertaken by the Chief Executive and is responsible for overseeing the authority's overall administrative and staffing functions. Under the Local Government and Housing Act 1989, the Head of Paid Service has the authority to advise on how the authority's various functions are to be coordinated, staffed, and managed. The Head of Paid Service ensures the integration of functions across departments, making sure the organisation operates efficiently. This role also bridges the gap between the authority's Officers and elected Members.

ii. Chief Finance Officer

The Chief Finance Officer, also known as the Section 151 Officer, ensures the proper administration of the authority's financial affairs. This Officer must ensure that budgets are adhered to and must report if unlawful expenditure or financial mismanagement is likely. They have a duty to act in respect of unlawful expenditure or when it appears to them that the authority's expenditure incurred in a financial year is likely to exceed the resources available to meet it, through issuing a Section 114 report.

iii. Monitoring Officer

The Monitoring Officer is tasked with ensuring the lawfulness of the authority's actions. This includes compliance with the authority's Constitution, maintaining high standards of conduct, and intervening when there are breaches of the law. The Monitoring Officer plays a key role in ethical governance and ensuring that elected Members and Officers operate within the law. If unlawful action is likely, the Monitoring Officer must issue a Section 5 report to prevent the breach.

2.5 The Code emphasises the importance that the 'Golden Triangle' operates effectively, with a close level of collaboration between all three officers, and with the wider Leadership Team of the authority.

2.6 The Council may wish to formally adopt the Code which has been endorsed by SOLACE, CIPFA, and LLG. This Code promotes good governance, supports sound decision-making, and ensures legal compliance. By formally adopting the Code, the council will not only align itself with nationally recognised standards but also endorse the key principles outlined within it. Adoption would further enhance the transparency and accountability of the council's operations, demonstrating a firm commitment to the principles of integrity and leadership in our governance framework.

3.0 Reason(s)

- 3.1 To ensure good governance within the council.
- 3.2 It was specifically highlighted in the recent DMA report prepared by the LGA that the 'Golden Triangle' was not working as it should be at East Herts. The changes in personnel will obviously have had an impact on this already, however, adoption of the Code would also demonstrate a seriousness to ensure that such breakdowns do not occur again.

4.0 Options

- 4.1 To take the Code forward to Overview and Scrutiny/Council for adoption. This is recommended as it shows a commitment to ensuring good governance at the highest levels of the council.
- 4.2 Not to adopt the Code. This is not recommended as to do so would potentially put us out of step with other local authorities who will be likewise considering adoption of this national document.

5.0 Risks

- 5.1 Enhancing the relationship between the Statutory Officers outlined in the Code strengthens and aids good decision-making, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change.
- 5.2 Adopting approved national codes and incorporating good practice within the council's processes help to ensure good governance and reduce the risk of poor practice or unsafe decision making.

6.0 Implications/Consultations

- 6.1 The Monitoring Officer held discussions at the Hertfordshire Heads of Legal meeting in September, ascertaining what the intentions of neighbouring

councils were to the Code. The majority of Hertfordshire Monitoring Officers stated they were intending on recommending adoption to their Councils.

Community Safety

None

Data Protection

There are no data protection implications to this report.

Equalities

Good governance and high ethical standards of conduct ensure that local government decisions are taken in the public interest.

Environmental Sustainability

There are no environmental implications to this report.

Financial

There are no financial implications to this report.

Health and Safety

There are no health and safety implications to this report.

Human Resources

There are specific legal requirement in respect of Statutory Officer appointments, disciplinary and dismissal processes, albeit not directly linked to the Code.

Human Rights

There are no human rights implications to this report.

Legal

The terms of reference of the Standards Committee include, at paragraph 7.4.1(a) of their terms of reference "to promote and maintain high standards of conduct by Members and Co- Opted Members of the authority". Whilst the Code is specifically concerned with Statutory Officers rather than Members, there is an interplay in that the named Statutory Officer have a responsibility to ensure high standards of conduct in the authority.

Specific Wards

None

7.0 Background papers, appendices and other relevant material

- 7.1 Appendix 1: The Code of Practice on Good Governance for Local Authority Statutory Officers

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