

Committee: Audit and Standards Committee

Date:

Title: Code of Local Authority Statutory Officers

Thursday, 25
September 2025

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Summary

1. Corporate governance means the systems, processes, and values by which a Council operate and by which they engage with and are held accountable to their communities and stakeholders.
2. Uttlesford District Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively and seeks to introduce a Code of Practice on Good Governance for Local Authority Statutory Officers, to promote good governance, ensure clarity of roles and responsibilities of the Statutory Officers and Council wide understanding.
3. The aim of the code is to enable the three most senior statutory officers to effectively work together within the “Golden Triangle” to best advise their authority, implement its decisions, and achieve good outcomes.

Recommendations

4. To recommend that Full Council adopt the Code of Practice on Good Governance for Local Authority Statutory Officers attached at Appendix 1

Financial Implications

5. Adopting the Code of Practice on Good Governance for Local Authority Statutory Officers helps strengthen the existing governance of the organisation and respects the different professional and statutory responsibilities for the three corporate statutory officers referred to as the Golden Triangle.

Background Papers

6. Appendix 1 – Code of Practice on Good Governance for Local Authority Statutory Officers – SOLACE/CIPFA/LLG.

Impact

Communication/Consultation	Audit and Standards Committee have been asked to consider this report and the adoption of the code. If Members are minded, Full Council will be recommended to adopt the draft Code. This report also takes into account feedback from the Corporate Management Team.
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Community Safety	There are no Community safety implications expected as a result of this report
Equalities	Good governance and high ethical standards of conduct ensure that local government decisions are taken in the public interest
Health and Safety	There are no health and safety implications expected as a result of this report
Human Rights/Legal Implications	The aim of the Code is to assist the three officers and their authorities in maximising joint working arrangements to best effect. The Code aims to assist the officers in the exercise of their discretion and their relationship with each other, the authority and its elected members, and key agencies such as the external auditor. Solace, CIPFA and LLG have distinct sets of professional standards and guidance to assist the Head of Paid Service, Chief Finance Officer, and the Monitoring Officer respectively. This Code is recognised by Solace, CIPFA and LLG. Members are expected to uphold the seven standards, which set out requirements for individual officers and their authorities. The Code should be read alongside the best value standards and intervention: a statutory guide for best value authorities 2024.
Sustainability	There are no sustainability implications expected as a result of this report.
Ward-specific impacts	There are no ward-specific implications expected as a result of this report, however the recommendation shows a commitment to ensuring good governance at the highest levels of the council.
Workforce/Workplace	There are no direct implications for the overall workforce from the recommendations made in this report but there could be an impact if Governance standards were to be below what is identified in the Code of Practice. It would always be good practice to follow advice and the expectations which are set by professional bodies.

Situation

7. Working together, Lawyers in Local Government (LLG), the Society of Local Authority Chief Executives and Senior Managers (SOLACE) and Chartered Institute of Public Finance and Accountancy (CIPFA) 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’.
8. 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.

9. 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.

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

- a) **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.

- b) **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.

- c) **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.

11. 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
12. The Council has a commitment to improve governance and control, and to implement processes that maximise transparency and accountability.
13. As such, the Council seeks to formally adopt the Code of Practice on Good Governance for Local Authority Statutory Officers – which has been endorsed by LLG, SOLACE and CIPFA. 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.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
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.	1 = Little or no likelihood Timetable is established for the preparation of the Annual Governance Statement	3 = Significant risk or impact due to statutory requirement.	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.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.