

Governance, Audit, Risk Management and Standards Committee **AGENDA**

DATE: Tuesday 16 July 2019

TIME: 7.30 pm

VENUE: Committee Room 5, Harrow Civic Centre, Station
Road, Harrow, HA1 2XY

MEMBERSHIP (Quorum 3)

Chair: Councillor David Perry

Councillors:

Ghazanfar Ali
Peymana Assad
Maxine Henson

Philip Benjamin
Amir Moshenson
Kanti Rabadia (VC)

Reserve Members:

- | | |
|---------------------------|------------------|
| 1. Kairul Kareema Marikar | 1. Pritesh Patel |
| 2. Niraj Dattani | 2. John Hinkley |
| 3. Antonio Weiss | 3. Chris Mote |
| 4. Chloe Smith | |

Contact: Miriam Wearing, Senior Democratic Services Officer
Tel: 020 8424 1542 E-mail: miriam.wearing@harrow.gov.uk

Useful Information

Meeting details:

This meeting is open to the press and public.

Directions to the Civic Centre can be found at:
<http://www.harrow.gov.uk/site/scripts/location.php>.

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When present in the meeting room, silent mode should be enabled for all mobile devices.

Meeting access / special requirements.

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An induction loop system for people with hearing difficulties is available. Please ask at the Security Desk on the Middlesex Floor.

Agenda publication date: Monday 8 July 2019

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. APPOINTMENT OF VICE-CHAIR

To consider the appointment of a Vice-Chair to the Panel for the Municipal Year 2019/20.

3. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee;
- (b) all other Members present.

4. MINUTES (Pages 5 - 12)

That the minutes of the meeting held on 16 April 2019 be taken as read and signed as a correct record.

5. PUBLIC QUESTIONS *

To receive any public questions received in accordance with Committee Procedure Rule 17 (Part 4B of the Constitution).

Questions will be asked in the order in which they were received. There will be a time limit of 15 minutes for the asking and answering of public questions.

[The deadline for receipt of public questions is 3.00 pm, 11 July 2019. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

6. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4B of the Constitution).

7. DEPUTATIONS

To receive deputations (if any) under the provisions of Committee Procedure Rule 16 (Part 4B) of the Constitution.

8. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

To receive references from Council and any other Committees or Panels (if any).

9. COMMITTEE ON STANDARDS IN PUBLIC LIFE - REVIEW OF LOCAL GOVERNMENT ETHICAL STANDARDS (Pages 13 - 150)

Report of the Director of Legal and Governance Services

10. ANNUAL HEALTH AND SAFETY REPORT (Pages 151 - 222)

Report of the Corporate Director Community

11. TREASURY MANAGEMENT OUTTURN 2018/19 (Pages 223 - 238)

Report of the Director of Finance

12. STATEMENT OF ACCOUNTS 2018-19 (To Follow)

Report of the Director of Finance

13. ANNUAL GOVERNANCE STATEMENT (Pages 239 - 302)

Report of the Director of Finance

14. INFORMATION REPORT - INTERNAL AUDIT AND CORPORATE ANTI-FRAUD YEAR END REPORTS 2018/19 (Pages 303 - 334)

Report of the Director of Finance

15. ANY OTHER URGENT BUSINESS

Which cannot otherwise be dealt with.

AGENDA - PART II - NIL

*** DATA PROTECTION ACT NOTICE**

The Council will audio record item 4 (Public Questions) and will place the audio recording on the Council's website, which will be accessible to all.

[**Note:** The questions and answers will not be reproduced in the minutes.]

GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE MINUTES

16 APRIL 2019

Chair: * Councillor David Perry

Councillors: * Ghazanfar Ali * Maxine Henson
* Peymana Assad * Amir Moshenson
* Philip Benjamin * Kanti Rabadia

* Denotes Member present

47. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance.

48. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

49. Minutes

RESOLVED: That

- (1) the minutes of the meeting held on 5 December 2018 be taken as read and signed as a correct record;
- (2) the minutes of the meeting held 29 January 2019, be taken as read and signed as a correct record, subject to the following amendment:

Minute 46, paragraph 5, first sentence to be deleted and the same paragraph to commence with 'Councillor Perry stated that some questions ...'.

50. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions, petitions or deputations were received at this meeting.

51. References from Council and other Committees/Panels

There were none.

RESOLVED ITEMS

52. Information Report - Capital Strategy 2019/20

The Committee received a report of the Director of Finance on the Capital Strategy for 2019/20, which provided an overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services and how the associated risks were managed.

An officer introduced the report and informed Members that the Strategy set out a high level view and drew attention to the appendix to the report. He added that non-treasury commercial investment was proportionate to the budget requirement and that only 5% of the Council's revenue budget had been invested in a commercial portfolio. Therefore, the associated risks were low in relation to the size of the revenue budget. He added that a further outturn information report would be submitted to the July 2019 meeting of the Committee.

Members asked a number of questions in relation to the various tables set out in the appendix to the report. They enquired about the impact on the Council's finances (table 6 referred) and the increase in debt of 70% (tables 3 and 4 referred) and whether this was the Council's recommended strategy.

In response to the questions, the Director of Finance stated that the tables reflected the Council's approved capital programme borrowing requirement. The intention was to minimise the cost of borrowing. The Director explained that some capital projects were self-financing, such as the depot and Vernon Lodge, which would result in at least neutral impact on the revenue budget. She added that the interest cost of capital borrowing was funded from the revenue budget. In relation to the debt, the Director explained that the Council had not borrowed for a number of years. However, £100m had been borrowed in April 2019 and she explained the ensuing challenges. The Council was conscious of the significant costs of borrowing and was therefore taking advice from the Council's Treasury Advisers and CIPFA (Chartered Institute of Public Finance and Accountancy) to confirm that the forecast borrowing level was sustainable. She pointed out that the Council would need to invest in the Capital Programme and it would be unusual not to review of capital schemes.

Questions from Members also related to the authorised level of debt (table 5 referred) and why more had been budgeted for, and whether capital financing requirements boundaries could exceed (table 4 referred). In response, the Director of Finance and an officer stated that there was a ceiling set on borrowing by the Council as part of its Treasury Management report. The Director added that the operational boundaries might be exceeded for example as a result of exceptional events, such as debt refinancing but this would be reported to the Committee at outturn should it occur. It was not anticipated that the capital financing requirement would be breached.

The Director of Finance acknowledged that various tables set out in the appendix required clarity in presentation and she undertook to provide Members with additional information.

The Chair welcomed the comments from Members and noted that an action plan would be submitted to the next meeting together with clarity in presentation.

RESOLVED: That the report be noted.

53. Audit Committee Review

The Committee received a report of the Director of Finance on the review of the Audit Committee undertaken as part of the 2018/19 Internal Audit Plan, a draft of which had been presented to the Committee in December 2018. This further report was presented to allow Members to add detailed information into the action plan as it progressed.

The Head of Internal Audit and Corporate Fraud introduced the report and referred to the proposed final version of the Audit Committee Review report and reminded Members that they had previously given agreement to all the recommendations at their meeting on 5 December 2018. She added that Members had also indicated their desire to add more detail as the action plan progressed and that she had taken the opportunity to include appropriate detail regarding the progression of the agreed action for the Committee's approval.

The Head of Internal Audit and Corporate Fraud also referred to the proposed report template for the Committee's Annual Report to full Council and sought the Committee's agreement to its use as a starting point for drafting the report. The template had been based on the Committee's revised Terms of Reference, as agreed by full Council on 28 February 2019, and from examples of similar reports used by other local authorities.

The Chair was of the view that flexibility ought to be retained in order to allow changes to be made to Committee's response to the Internal Audit report and he suggested an amendment to recommendation 1, as set out in the Committee report. Other Members agreed with this view.

A Member was concerned that corporate governance covered a wide array of issues and that the Committee might not be 'qualified' to deal with all aspects. He referred to the need to upskill Members in this regard and cited the example of training offered to Members of the Pension Fund Committee prior

to its meetings. In response, the Head of Internal Audit and Corporate Fraud undertook to send examples of how other local authorities tackled governance issues in their annual reports.

The Chair agreed that the upskilling of Members was important and referred to paragraph 3.1 of the Action Plan which addressed this issue and noted that a further report setting out options would be submitted to the July 2019 meeting of the Committee. In addition, the report would also include good practices such as consideration to appointing at least one independent member to the Committee with specialist expertise in the work of the Committee.

Prior to concluding business on this item, the Chair referred to the effectiveness of the Committee (paragraph 4 of the Action Plan referred) and how this issue could be addressed. He referred to his recent discussions with the Council's Chief Executive in this regard and highlighted the need to share experiences and seek feedback from various officers, external auditors and colleagues with a view to learning from each other.

RESOLVED: That, having reviewed the final Internal Audit report,

- (1) it be recognised that flexibility would be retained in order to allow changes to be made to the Committee's response to the Internal Audit report;
- (2) the detailed responses to the individual recommendations set out in the report, including implementation dates, be agreed;
- (3) the proposed Annual Report template be used as a starting point for drafting an annual report.

54. Internal Audit and Corporate Anti-Fraud Plans 2019/20

The Committee received a report of the Director of Finance, which set out the Internal Audit and Corporate Anti-Fraud Plans for 2019/20 for review and approval.

The Head of Internal Audit and Corporate Anti-Fraud introduced the report and explained, the purpose of the Internal Audit Plan and the Corporate Anti-Fraud Plan, as set out in the report, and invited comments and questions from Members. She added that senior management across the Council had been consulted on the Plans and that it had been approved by the Corporate Strategic Board (CSB).

The Head of Internal Audit and Corporate Anti-Fraud responded to questions as follows:

- flexibility was retained, which allowed Internal Audit to react to unexpected events and emerging risks;
- risk ratings were assigned to reviews included in the Plan and internal audit had undertaken risk assessments to rate risks that were not included in the Corporate Risk Register;

- the Plans focused on high risk areas and the risk assessments followed a standard methodology and included, for example, the value of the budget, issues raised by managers and reputation risks and a numerical value was given that was translated into high, medium or low risk rating;
- in relation to fraud investigations, trigger points were assigned which required engagement with external agencies and partners, such as the police. A judgement was made following evidence gathering on which agencies to involve and as the investigation team followed the PACE rules, there were no problems with handing investigations over;
- London boroughs had been asked to join the London Counter Fraud Hub, which had been piloted by four boroughs. The Hub initiative had not moved forward as it was felt that the Council had sound processes already in place for mitigating fraud risks in the areas covered by the initiative. The Council had expressed concerns about entering into a contract with no break clauses and the robustness of data used to produce estimated savings. To date, no London borough had joined;
- the security of the IT system related to high risks such as risk to loss of data;
- it was difficult to assess if more corporate anti-fraud staff would result in the uncovering of more fraud although it was considered likely given the current size of the team which was small;
- in relation to the performance indicator for recovery of 10 social housing units subject to fraud and misuse, the figure of 10 was an average and it was intended to achieve a 100% target. Outturn of achievements made and performance indicators achieved would be included in the year end report;
- IR35 (tax legislation designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company) and whether it was being correctly applied had been included due to the working experiences of the Chief Executive in other organisations where it had been an issue. It was important to minimise HMRC (Her Majesty's Revenue and Customs) penalties;
- it was up to individual contract managers to ensure that social value was being delivered but it was intended to look at the processes in place to ensure that they were robust. She noted the concerns expressed by a Member that this exercise would entail 20 audit days and undertook to review this estimate. The Chair stated that it was important that social value was enforced.

RESOLVED: That the Internal Audit and Corporate Anti-Fraud Plans 2019/20 and the Internal Audit Charter be approved in accordance with the Public Sector Internal Audit Standard 2020 Communication and Approval.

55. Urgent Business

Draft Statement of Accounts 2018/19

The Director of Finance sought the Committee's view on how they wished to receive the draft Statement of Accounts given that these had to be published by 31 May 2019 instead of June 2019 which had been the situation prior to 2017-18. An earlier deadline meant that the Committee would not have an opportunity to review the draft accounts before the external auditors presented their final report.

The Director set out the options available and it was

RESOLVED: That the draft Statement of Accounts be sent to all Members of the Committee by email and that they contact the Director of Finance with any questions or comments.

56. Exclusion of the Press Public

That, in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Description of Exempt Information</u>
13.	Information Report: Internal Audit Red Assurance Reports	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).
14.	Information Report: 2018/19 Corporate Risk Register Quarter 4	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

57. Information Report: Internal Audit Red Assurance Reports

The Committee received a confidential report of the Director of Finance, which set out a final red assurance report, a final red/amber assurance report and the actions taken by Internal Audit, as part of the 2018/19 Internal Audit Plan, to help fulfil the Committees purpose to provide assurance to Members of the adequacy of the Council's governance, risk management and control framework.

The Head of Internal Audit and Corporate Anti-Fraud introduced the report and referred to the red assurances in respect of two areas. She added that all recommendations made were being implemented and that a formal internal audit follow-up of the implementation of the recommendations of one of the areas had already been undertaken and was covered in the report and that a follow-up of the other area would be undertaken in May 2019 and reported to the Committee thereafter.

Members asked a series of questions and enquired if robust systems were in place, particularly in relation to one of the areas. Members also asked if other mechanisms were being investigated to help reduce fraud and how these impacted on staff, including the methods of communications used. Officers from the area responded to the questions and assured Members that abuse of systems was rare and the Council's Code of Conduct for Council Employees and the Staff Handbook set out the conduct expected of all staff. They stated that robust systems were in place and fraud was rare in this area but officers were not complacent.

Members noted the issues and welcomed the recommendations that had been put in place. They wanted to ensure that staff training was an integral part of the ethos behind the operation of any premises.

RESOLVED: That the report be noted.

58. Information Report: 2018/19 Corporate Risk Register Quarter 4

The Committee received a confidential report of the Director of Finance, which set out the Council's 2018/19 Corporate Risk Register for quarter 4 of the financial year to enable the Committee to monitor the progress on risk management in accordance with its Terms of Reference.

The Head of Internal Audit and Corporate Anti-Fraud introduced the report and referred to the various risks, some of which had been mitigated. Members suggested a number of matters that ought to be included in the Risk Register and the Head of Internal Audit and Corporate Anti-Fraud undertook to refer these to the Council's Corporate Strategic Board (CSB) for consideration. She also explained why some items had been included in the Risk Register.

The Head of Internal Audit highlighted the emerging risks which were being explored. Members asked some pertinent questions in relation to one of the emerging risks, which were responded to.

In conclusion, the Director of Finance undertook to send further details to Members relating to their questions on the Local Resilience Fund.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.34 pm, closed at 9.40 pm).

(Signed) COUNCILLOR DAVID PERRY
Chair

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**REPORT FOR: GOVERNANCE, AUDIT AND
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting: 16 July 2019

Subject: Committee on Standards in Public Life -
Review of Local Government Ethical
Standards

Responsible Officer: Hugh Peart, Director of Legal and
Governance Services

Exempt: No

Wards Affected: All

Enclosures: A) Local Government Ethical Standards A
Review by the Committee on Standards in
Public Life.
B) Code of Conduct (current)
C) Flow Chart and Guidance Note for the
current process.

Section 1 – Summary and Recommendations

Purpose of the Report

To present the findings of the Committee on Standards in Public Life review of local government ethical standards and agree what action to take.

To report to members on the numbers of complaints about members that have been received in the last year.

To report to members on Regulation of Investigatory Powers (RIPA) activity in the last year

Recommendations:

THAT:

1. The Committee on Standards in Public Life report be noted: and
2. Steps be taken to introduce all the best practice recommendations set out in the Committee on Standards in Public Life report.
3. That members note the number of complaints about members that have been received and the nil return of RIPA authorisation.

Section 2 – Report

2. Background

2.1. The Committee on Standards in Public Life (“CSPL”) advises the Prime Minister on ethical standards across the whole of public life in England. It monitors and reports on issues relating to the standards of conduct of all public office holders. CSPL is an independent advisory non-departmental public body.

2.2. During 2018, the CSPL has undertaken a review of local government ethical standards. This review was not prompted by any specific allegations of misconduct or council failure, but rather to review the effectiveness of the current arrangements for standards in local government, particularly in light of the changes made by the Localism Act 2011. The terms of reference for the review were to:

i. Examine the structures, processes and practices in local government in England for:

- Maintaining codes of conduct for local councillors
- Investigating alleged breaches fairly and with due process
- Enforcing codes and imposing sanctions for misconduct
- Declaring interests and managing conflicts of interest
- Whistleblowing

ii. Assess whether the existing structures, processes and practices are conducive to high standards of conduct in local government;

ii. Make any recommendations for how they can be improved;

iii. Note any evidence of intimidation of councillors, and make recommendations for any measures that could be put in place to prevent and address such intimidation.

2.3. The review covered all local authorities in England, of which there are 353 principal authorities, with 18,111 councillors, and an estimated 10,000 parish councils, with around 80,000 parish councillors. The Committee did not take evidence relating to Combined Authorities, metro mayors, or the Mayor of London and so do not address these areas of local government in this report.

2.4. On 30 January 2019, the CSPL published its report and recommendations on ethical standards in local government, following a year-long review and wide consultation. Key recommendations include:

- a new power for local authorities to suspend councillors without allowances for up to six months with a right of appeal for suspended councillors to the Local Government Ombudsman.
- revised rules on declaring interests and gifts and hospitality
- an updated voluntary Model Code of Conduct to be introduced with local authorities to retain ownership of their own Codes of Conduct
- a strengthened role for the Independent Person

- Monitoring Officers provided with adequate training, corporate support and resources and statutory protections to be expanded
- greater transparency about the number and nature of Code complaints
- Political groups set clear expectations of behaviour by their members
- code of conduct training to be mandatory

2.5. A copy of the full CSPL report can be found at Appendix A and is available at <https://www.gov.uk/government/publications/local-governmentethical-standards-report>.

2.6. Many of the CSPL recommendations will require primary legislation; the implementation of which will be subject to Parliamentary timetabling. Some changes can be made through secondary legislation. The best practice recommendations are a matter for individual local authorities and can be introduced by the Council.

3. Proposal

3.1. It is proposed that the Committee notes the report and recommendations of the Committee on Standards in Public Life.

3.2. On page 18 of the report there is a list of best practice recommendations that the Council need to put in place in 2020. The Council already has some of the best practice in place:

Best practice recommendation	Harrow response
<p>Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.</p>	<p>There is a prohibition on Bullying in the code but this needs to be supplemented with a definition and list of examples.</p> <p>“Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour; or an abuse or misuse of power in a way that intends to undermine, humiliate, criticise unfairly or injure someone.</p> <p>Harassment may be characterised as unwanted conduct which has the purpose or effect of violating an individual’s dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for an individual.</p> <p>Examples include: Verbal: remarks about appearance, derogatory or lewd comments, innuendoes, persistent name calling, statements which are suggestive, unwelcome, abusive and offensive.</p> <p>Behaviour: that denigrates or ridicules; intimidation or physical abuse; making threats; attempts to stir up hatred against an individual or group.”</p>

<p>Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.</p>	<p>Currently the complaints procedure includes the MO being able to filter out complaints that:</p> <ul style="list-style-type: none"> • Do not fall within the code of conduct, • Are frivolous or vexatious, • Are more than 6 months old,(unless there are exceptional circumstances), • Are not in the public interest to pursue. <p>Code will need to be updated to say that it is a breach of the code if members do not comply with the investigation.</p>
<p>Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.</p>	<p>To be implemented</p>
<p>Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.</p>	<p>The code is in the constitution and can be found on the website.</p>
<p>Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.</p>	<p>This can be implemented and members will be reminded.</p>
<p>Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.</p>	<p>There is clear guidance in the flow chart and within the process note for dealing with complaints</p>
<p>Best practice 7: Local authorities should have access to at least two Independent Persons.</p>	<p>Harrow currently has two IP's.one has recently resigned (there were three)and it is recommended that another two are recruited so that there are four in total.</p>
<p>Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being a formal investigation on an allegation, and should be given the option</p>	<p>An IP is used through out the process at every stage and is consulted prior to decisions being made.</p>

<p>to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.</p>	
<p>Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.</p>	<p>Currently a notice is published going forward it will contain all of the detail in the best practice recommendation.</p>
<p>Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.</p>	<p>The guidance is attached to this report and this is already on the website.</p>
<p>Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council as a whole, rather than the clerk in all but exceptional circumstances.</p>	<p>NA</p>
<p>Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.</p>	<p>NA</p>

<p>Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation</p>	To be implemented
<p>Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.</p>	This can be done going forward.
<p>Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.</p>	This already happens.

4. Complaints against members

In the last year the council has dealt with 10 complaints against councillors. Most of them were about councillors not responding to residents. Two of them resulted in public notices and multiple breaches of the code. Sanctions have been imposed on two occasions and one hearing has taken place. Currently the council has limited powers against member who have been found to breach the code of conduct.

The sanctions are:

- To ask for an apology
- To ask the member to undergo training
- To censure the member
- To place a notice in a newspaper, website and or to be read out at Council.
- To ask for the group Leader to remove the member from committees or outside bodies.

5. RIPA

The council has powers under the Regulation of investigatory powers Act to authorise covert surveillance that is likely to result in the obtaining of private information about a person.

Surveillance, for the purpose of the 2000 Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained³. Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.

These powers have not been used in the last year.

6. Further Information

The Local Government Ethical Standards A Review by the Committee on Standards in Public Life contains other recommendations which will require legislation. The committee will be kept up to date with any changes.

Financial Implications

Any financial implications arising from implementing the best practice recommendations in section 3, will be contained within existing resources.

Equalities implications

It is a breach of the code of conduct to do anything which may cause the Council to breach any of equality enactments. Strengthening the code and processes will have positive equalities outcomes.

Council Priorities

This report supports the Council's vision:

Working Together to Make a Difference for Harrow

Section 3 - Statutory Officer Clearance

Name Sharon Daniels:	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 4 July 2019		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 4 July 2019		

Ward Councillors Notified:	NO
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Section 4 - Contact Details and Background Papers

Contact:

Jessica Farmer 02084241889 jessica.farmer@harrow.gov.uk

Background Papers:

None

Local Government Ethical Standards

**A Review by the
Committee on
Standards in Public Life**

**Committee on
Standards in
Public Life**





Local Government Ethical Standards

Committee on Standards in Public Life

Chair: Lord Evans of Weardale KCB DL

January 2019





The Seven Principles of Public Life

The Principles of Public Life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.



Dear Prime Minister,

I am pleased to present the 20th report of the Committee on Standards in Public Life, on the subject of ethical standards in local government.

The Committee has had a long-standing interest in local government, which was the subject of its third report, and which it has considered a number of times since then. This review was not prompted by any specific allegations of misconduct, but rather to assure ourselves that the current framework, particularly since the Localism Act 2011, is conducive to promoting and maintaining the standards expected by the public.

Local government impacts the lives of citizens every day, providing essential services to those it serves. Its decisions directly affect the quality of life of local people. High standards of conduct in local government are needed to demonstrate that those decisions are taken in the public interest and to maintain public confidence.

It is clear that the vast majority of councillors and officers want to maintain the highest standards of conduct in their own authority. We have, however, identified some specific areas of concern. A minority of councillors engage in bullying or harassment, or other highly disruptive behaviour, and a small number of parish councils give rise to a disproportionate number of complaints about poor behaviour.

We have also identified a number of risks in the sector: the current rules around conflicts of interest, gifts, and hospitality are inadequate; and the increased complexity of local government decision-making is putting governance under strain.

The challenge is to maintain a system which serves the best instincts of councillors, whilst addressing unacceptable behaviour by a minority, and guarding against potential corporate standards risks.

It is clear from the evidence we have received that the benefits of devolved arrangements should be retained, but that more robust safeguards are needed to strengthen a locally determined system. We are also clear that all local authorities need to develop and maintain an organisational culture which is supportive of high ethical standards. A system which is solely punitive is not desirable or effective; but in an environment with limited external regulation, councils need the appropriate mechanisms in place to address problems when they arise.

Our recommendations would enable councillors to be held to account effectively and would enhance the fairness and transparency of the standards process. Introducing a power of suspension and a model code of conduct will enable councillors to be held to account for the most serious or repeated breaches and support officers to address such behaviour, including in parish councils. Strengthening the role of the Independent Person and introducing a right of



appeal for suspended councillors will enhance the impartiality and fairness of the process, which is vital to ensure that councillors are protected from malicious or unfounded complaints. Greater transparency on how complaints are assessed and decided in a system which is currently too reliant on internal party discipline will also provide a safeguard against opaque decision-making and provide reassurance to the public.

A number of these recommendations involve legislative change which we believe the government should implement. We have also identified 'best practice' for local authorities, which represents a benchmark for ethical practice which we expect that any authority can and should implement.

It is clear to us that local government in England has the willingness and capacity to uphold the highest standards of conduct; our recommendations and best practice will enable them to do so.

I commend the report to you.

Lord Evans of Weardale
Chair, Committee on Standards in Public Life





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Executive summary

Local government impacts the lives of citizens every day. Local authorities are responsible for a wide range of important services: social care, education, housing, planning and waste collection, as well as services such as licensing, registering births, marriages and deaths, and pest control. Their proximity to local people means that their decisions can directly affect citizens' quality of life.

High standards of conduct in local government are therefore needed to protect the integrity of decision-making, maintain public confidence, and safeguard local democracy.

Our evidence supports the view that the vast majority of councillors and officers maintain high standards of conduct. There is, however, clear evidence of misconduct by some councillors. The majority of these cases relate to bullying or harassment, or other disruptive behaviour. There is also evidence of persistent or repeated misconduct by a minority of councillors.

We are also concerned about a risk to standards under the current arrangements, as a result of the current rules around declaring interests, gifts and hospitality, and the increased complexity of local government decision-making.

Giving local authorities responsibility for ethical standards has a number of benefits. It allows for flexibility and the discretion to resolve standards issues informally. We have considered whether there is a need for a centralised body to govern and adjudicate on standards. We have concluded that whilst the consistency and independence of the system could be enhanced, there is no reason to reintroduce a centralised body, and that local

authorities should retain ultimate responsibility for implementing and applying the Seven Principles of Public Life in local government.

We have made a number of recommendations and identified best practice to improve ethical standards in local government. Our recommendations are made to government and to specific groups of public office-holders. We recommend a number of changes to primary legislation, which would be subject to Parliamentary timetabling; but also to secondary legislation and the Local Government Transparency Code, which we expect could be implemented more swiftly. Our best practice recommendations for local authorities should be considered a benchmark of good ethical practice, which we expect that all local authorities can and should implement. We will review the implementation of our best practice in 2020.

Codes of conduct

Local authorities are currently required to have in place a code of conduct of their choosing which outlines the behaviour required of councillors. There is considerable variation in the length, quality and clarity of codes of conduct. This creates confusion among members of the public, and among councillors who represent more than one tier of local government. Many codes of conduct fail to address adequately important areas of behaviour such as social media use and bullying and harassment. An updated model code of conduct should therefore be available to local authorities in order to enhance the consistency and quality of local authority codes.



There are, however, benefits to local authorities being able to amend and have ownership of their own codes of conduct. The updated model code should therefore be voluntary and able to be adapted by local authorities. The scope of the code of conduct should also be widened, with a rebuttable presumption that a councillor's public behaviour, including comments made on publicly accessible social media, is in their official capacity.

Declaring and managing interests

The current arrangements for declaring and managing interests are unclear, too narrow and do not meet the expectations of councillors or the public. The current requirements for registering interests should be updated to include categories of non-pecuniary interests. The current rules on declaring and managing interests should be repealed and replaced with an objective test, in line with the devolved standards bodies in Scotland, Wales and Northern Ireland.

Investigations and safeguards

Monitoring Officers have responsibility for filtering complaints and undertaking investigations into alleged breaches of the code of conduct. A local authority should maintain a standards committee. This committee may advise on standards issues, decide on alleged breaches and sanctions, or a combination of these. Independent members of decision-making standards committees should be able to vote.

Any standards process needs to have safeguards in place to ensure that decisions are made fairly and impartially, and that councillors are protected against politically-motivated, malicious, or unfounded allegations of misconduct. The Independent Person is an important safeguard in the current system. This safeguard should be strengthened and clarified: a local authority should only be able to suspend a councillor where the Independent

Person agrees both that there has been a breach and that suspension is a proportionate sanction. Independent Persons should have fixed terms and legal protections. The view of the Independent Person in relation to a decision on which they are consulted should be published in any formal decision notice.

Sanctions

The current sanctions available to local authorities are insufficient. Party discipline, whilst it has an important role to play in maintaining high standards, lacks the necessary independence and transparency to play the central role in a standards system. The current lack of robust sanctions damages public confidence in the standards system and leaves local authorities with no means of enforcing lower level sanctions, nor of addressing serious or repeated misconduct.

Local authorities should therefore be given the power to suspend councillors without allowances for up to six months. Councillors, including parish councillors, who are suspended should be given the right to appeal to the Local Government Ombudsman, who should be given the power to investigate allegations of code breaches on appeal. The decision of the Ombudsman should be binding.

The current criminal offences relating to Disclosable Pecuniary Interests are disproportionate in principle and ineffective in practice, and should be abolished.



Town and parish councils

Principal authorities have responsibility for undertaking formal investigations of code breaches by parish councillors. This should remain the case. This responsibility, however, can be a disproportionate burden for principal authorities. Parish councils should be required to adopt the code of their principal authority (or the new model code), and a principal authority's decision on sanctions for a parish councillor should be binding. Monitoring Officers should be provided with adequate training, corporate support and resources to undertake their role in providing support on standards issues to parish councils, including in undertaking investigations and recommending sanctions. Clerks should also hold an appropriate qualification to support them to uphold governance within their parish council.

Supporting officers

The Monitoring Officer is the lynchpin of the current standards arrangements. The role is challenging and broad, with a number of practical tensions and the potential for conflicts of interest. Local authorities should put in place arrangements to manage any potential conflicts. We have concluded, however, that the role is not unique in its tensions and can be made coherent and manageable with the support of other statutory officers. Employment protections for statutory officers should be extended, and statutory officers should be supported through training on local authority governance.

Councils' corporate arrangements

At a time of rapid change in local government, decision-making in local councils is getting more complex, with increased commercial activity and partnership working. This complexity risks putting governance under strain. Local authorities setting up separate bodies risk a governance 'illusion', and should

take steps to prevent and manage potential conflicts of interest, particularly if councillors sit on these bodies. They should also ensure that these bodies are transparent and accountable to the council and to the public.

Our analysis of a number of high-profile cases of corporate failure in local government shows that standards risks, where they are not addressed, can become risks of corporate failure. This underlines the importance of establishing and maintaining an ethical culture.

Leadership and culture

An ethical culture requires leadership. Given the multi-faceted nature of local government, leadership is needed from a range of individuals and groups: an authority's standards committee, the Chief Executive, political group leaders, and the chair of the council.

Political groups have an important role to play in maintaining an ethical culture. They should be seen as a semi-formal institution sitting between direct advice from officers and formal processes by the council, rather than a parallel system to the local authority's standards processes. Political groups should set clear expectations of behaviour by their members, and senior officers should maintain effective relationships with political groups, working with them informally to resolve standards issues where appropriate.

The aim of a standards system is ultimately to maintain an ethical culture and ethical practice. An ethical culture starts with tone. Whilst there will always be robust disagreement in a political arena, the tone of engagement should be civil and constructive. Expected standards of behaviour should be embedded through effective induction and ongoing training. Political groups should require their members to attend code of conduct training provided by a local authority, and this should also be



written into national party model group rules. Maintaining an ethical culture day-to-day relies on an impartial, objective Monitoring Officer who has the confidence of all councillors and who is professionally supported by the Chief Executive.

An ethical culture will be an open culture. Local authorities should welcome and foster opportunities for scrutiny, and see it as a way to improve decision making. They should not rely unduly on commercial confidentiality provisions, or circumvent open decision-making processes. Whilst local press can play an important role in scrutinising local government, openness must be facilitated by authorities' own processes and practices.



List of recommendations

Number	Recommendation	Responsible body
1	The Local Government Association should create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government.	Local Government Association
2	The government should ensure that candidates standing for or accepting public offices are not required publicly to disclose their home address. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to clarify that a councillor does not need to register their home address on an authority's register of interests.	Government
3	Councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly-accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.	Government
4	Section 27(2) of the Localism Act 2011 should be amended to state that a local authority's code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority.	Government
5	The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to include: unpaid directorships; trusteeships; management roles in a charity or a body of a public nature; and membership of any organisations that seek to influence opinion or public policy.	Government
6	Local authorities should be required to establish a register of gifts and hospitality, with councillors required to record any gifts and hospitality received over a value of £50, or totalling £100 over a year from a single source. This requirement should be included in an updated model code of conduct.	Government



Number	Recommendation	Responsible body
7	Section 31 of the Localism Act 2011 should be repealed, and replaced with a requirement that councils include in their code of conduct that a councillor must not participate in a discussion or vote in a matter to be considered at a meeting if they have any interest, whether registered or not, “if a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your consideration or decision-making in relation to that matter”.	Government
8	The Localism Act 2011 should be amended to require that Independent Persons are appointed for a fixed term of two years, renewable once.	Government
9	The Local Government Transparency Code should be updated to provide that the view of the Independent Person in relation to a decision on which they are consulted should be formally recorded in any decision notice or minutes.	Government
10	A local authority should only be able to suspend a councillor where the authority’s Independent Person agrees both with the finding of a breach and that suspending the councillor would be a proportionate sanction.	Government
11	Local authorities should provide legal indemnity to Independent Persons if their views or advice are disclosed. The government should require this through secondary legislation if needed.	Government / all local authorities
12	Local authorities should be given the discretionary power to establish a decision-making standards committee with voting independent members and voting members from dependent parishes, to decide on allegations and impose sanctions.	Government
13	Councillors should be given the right to appeal to the Local Government Ombudsman if their local authority imposes a period of suspension for breaching the code of conduct.	Government



Number	Recommendation	Responsible body
14	The Local Government Ombudsman should be given the power to investigate and decide upon an allegation of a code of conduct breach by a councillor, and the appropriate sanction, on appeal by a councillor who has had a suspension imposed. The Ombudsman's decision should be binding on the local authority.	Government
15	The Local Government Transparency Code should be updated to require councils to publish annually: the number of code of conduct complaints they receive; what the complaints broadly relate to (e.g. bullying; conflict of interest); the outcome of those complaints, including if they are rejected as trivial or vexatious; and any sanctions applied.	Government
16	Local authorities should be given the power to suspend councillors, without allowances, for up to six months.	Government
17	The government should clarify if councils may lawfully bar councillors from council premises or withdraw facilities as sanctions. These powers should be put beyond doubt in legislation if necessary.	Government
18	The criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished.	Government
19	Parish council clerks should hold an appropriate qualification, such as those provided by the Society of Local Council Clerks.	Parish councils
20	Section 27(3) of the Localism Act 2011 should be amended to state that parish councils must adopt the code of conduct of their principal authority, with the necessary amendments, or the new model code.	Government
21	Section 28(11) of the Localism Act 2011 should be amended to state that any sanction imposed on a parish councillor following the finding of a breach is to be determined by the relevant principal authority.	Government
22	The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 should be amended to provide that disciplinary protections for statutory officers extend to all disciplinary action, not just dismissal.	Government



Number	Recommendation	Responsible body
23	The Local Government Transparency Code should be updated to provide that local authorities must ensure that their whistleblowing policy specifies a named contact for the external auditor alongside their contact details, which should be available on the authority's website.	Government
24	Councillors should be listed as 'prescribed persons' for the purposes of the Public Interest Disclosure Act 1998.	Government
25	Councillors should be required to attend formal induction training by their political groups. National parties should add such a requirement to their model group rules.	Political groups National political parties
26	Local Government Association corporate peer reviews should also include consideration of a local authority's processes for maintaining ethical standards.	Local Government Association



List of best practice

Our best practice recommendations are directed to local authorities, and we expect that any local authority can and should implement them. We intend to review the implementation of our best practice in 2020.

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.



Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council as a whole, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.



Introduction

The Committee on Standards in Public Life (the Committee) was established in 1994 by the then Prime Minister, and is responsible for promoting the Seven Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership – commonly known as the Nolan Principles.¹

The Committee has had a long-standing interest in local government, which was the subject of its third report in 1997, and which it has considered on a number of occasions since then. Since we last reviewed standards arrangements in local government, the Committee has maintained a watching brief, and has received regular correspondence relating to local government. Our other recent reviews have also received evidence relevant to the maintenance of standards in local government. This review was not prompted, however, by any specific allegations of misconduct or council failure, but rather to review the effectiveness of the current arrangements for standards in local government, particularly in light of the changes made by the Localism Act 2011.

The terms of reference for our review were to:

1. Examine the structures, processes and practices in local government in England for:

- a. Maintaining codes of conduct for local councillors
- b. Investigating alleged breaches fairly and with due process
- c. Enforcing codes and imposing sanctions for misconduct
- d. Declaring interests and managing conflicts of interest
- e. Whistleblowing

2. Assess whether the existing structures, processes and practices are conducive to high standards of conduct in local government

3. Make any recommendations for how they can be improved

4. Note any evidence of intimidation of councillors, and make recommendations for any measures that could be put in place to prevent and address such intimidation

¹ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>



Our review covered all local authorities in England, of which there are 353 principal authorities, with 18,111 councillors in 2013, and an estimated 10,000 parish councils in England, with around 80,000 parish councillors. We did not take evidence relating to Combined Authorities, metro mayors, or the Mayor of London and so do not address these areas of local government in this report.

The Committee's remit does not extend to the devolved administrations of the UK, and so our review does not cover local government standards outside England, although we have considered the role, remit, and work of the standards bodies in Scotland, Wales, and Northern Ireland for comparative purposes.

As part of this review, we received 319 written submissions to our consultation, from a range of local authorities, representative bodies, stakeholder organisations, officers, councillors, and members of the public. We held two roundtable seminars; one with Monitoring Officers, clerks and Independent Persons, and one with academics and think tanks. We held 30 individual stakeholder meetings. We also visited five local authorities across different regions of England and tiers of local government speaking to councillors, officers, county associations, Independent Persons, and representatives from town and parish councils.

We have made a number of recommendations and identified best practice to improve ethical standards in local government. Our recommendations are made to government and specific groups of public office holders. Our best practice for local authorities should be considered a benchmark of good ethical practice, which we expect that all local authorities can and should implement. We intend to review the implementation of our best practice in 2020.

The Committee wishes to thank all those who gave evidence to the review, including those local authorities who hosted a visit by the Committee, and in particular Jonathan Gooden of Wilkin Chapman LLP for his support and advice throughout.



Chapter 1: Overview of standards

Is there a standards problem in local government?

The evidence we have received does not reveal a widespread standards problem within local government. Our evidence supports the view that the vast majority of councillors and officers maintain high standards of conduct.

However, there is clear evidence of misconduct by some councillors. The majority of these cases relate to bullying or harassment, or other disruptive behaviour. We have also heard evidence of persistent or repeated misconduct by a minority of councillors.

This misconduct occurs at both principal authority level and at parish or town council level. Our evidence suggests, however, a high volume of complaints arising from a small number of town and parish councils (we refer to both as 'parish councils' for clarity). Under the current arrangements, where principal authorities are responsible for investigating and deciding on allegations of misconduct at parish level, these complaints can take up a disproportionate amount of officer time and are likely to be more difficult to address than complaints at principal authority level.

There is currently no requirement for principal authorities or town and parish councils to collect or report data on the volume of formal complaints they receive, but evidence we received indicates that the number varies widely between local authorities.

We received evidence that for parish councils, around 60% of councils had had no complaints, or only one complaint since the Localism Act 2011 came into force, and

around 10% had had four or more complaints. Of councils that had received complaints, 83% said complaints had been made about disrespectful behaviour, 63% about bullying and 31% about disruptive behaviour.²

Throughout this review, we have evaluated the system for upholding high ethical standards in local government as it currently works in practice, to see how far it reflects the Seven Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Across the 353 principal authorities in England, where responsibility for ethical standards rests with each individual authority, there is a variety of practice. But there are some common concerns.

At a time of rapid change in local government, not least in response to austerity measures, decision-making in local authorities is getting tougher and more complex. Increased freedoms to work with partners from a variety of sectors runs the risk of putting governance under strain. The importance of ensuring selflessness and integrity by reporting conflicts of interest and eradicating undue influence, in a system which is becoming less transparent and less accountable, is more important than ever. A lack of regulation only heightens the risk of things going badly wrong.

The political landscape is also changing. As we explore in chapter 4, party group discipline is an important ingredient in addressing misconduct, but in some councils the increase in independent members and groups causes additional concerns. The public expect their local representatives to be open and transparent, but it is clear that the increased use of social media has to be handled with

² Hoey Ainscough Associates survey for Society of Local Council Clerks, based on 801 responses from Clerks across England and Wales



care and where necessary properly monitored and checked. Many councils told us of ways in which they were trying to address this, often after having had multiple complaints.

The pressures increase to conduct political debate and decision-making at pace, and there can be frustration with formal procedures to handle complaints which are judged to be too cumbersome, bureaucratic or lengthy. Informality has its place, but must be balanced by the safeguard of formal due process, especially for more serious matters. We heard from councillors how important it is for them to have proper procedures, with an appropriate level of independence and objectivity, to protect them from political mischief or worse.

Local authorities are clearly aware of these issues and are tackling them. But officers need appropriate support, especially those officers in parish councils who often work alone. They are developing best practice and understand what works, and they are working together across professional networks to share their experiences. Councillors themselves have confidence in the system and confidence in themselves to ensure high standards. But throughout this review we heard for the need for greater consistency in codes of conduct and for greater enforceable sanctions for serious and repeated breaches.

Such concerns and risks suggest that the current arrangements should be clarified and strengthened to ensure a robust, effective, and comprehensive system. We set out in this report how we believe local government can be supported to achieve this.

The current system

The current system has a number of checks and balances built in to safeguard against poor ethical standards and protect against impropriety.

Each principal authority operates within its constitution. This creates a governance framework to ensure good administration and decision-making which includes, for example, the separation of the duties of officers and members, accountability to full council, and scrutiny and audit processes. These arrangements are overseen by the officers of the council, and particularly by the three senior statutory officers: the Head of Paid Service (Chief Executive), the Chief Finance Officer (sometimes referred to as the Section 151 Officer) and the Monitoring Officer. The leader of the council and other key members also have an important leadership role to play.

Under section 27 of the Localism Act 2011 each local authority must adopt a code of conduct against which councillors' conduct may be assessed. This code, when viewed as a whole, should reflect the Seven Principles of Public Life. A local authority must also make appropriate provision for councillors to register pecuniary and non-pecuniary interests. Any allegations of misconduct are usually considered in the first instance by the Monitoring Officer, a statutory officer of the council who has responsibility for standards and governance (or by their deputy). If the Monitoring Officer considers that there needs to be a formal investigation, this may be undertaken by the Monitoring Officer themselves, a deputy, or by an external investigator.

As a check on the impartiality of the decision-making process, the council must seek and take into account the view of an Independent Person (appointed by the council) before a decision is made on an alleged breach that has been subject to a formal investigation. A decision can be made by the Monitoring Officer, but many councils maintain a standards committee to make decisions on allegations or to review decisions taken by the Monitoring Officer. The authority may impose



a sanction - which cannot include suspension or disqualification - but may be an apology, training, censure, or withdrawal of certain facilities or access to council buildings. There are, however, no means of enforcing sanctions where it requires positive action by the councillor, for example, an apology or training.

Outside the formal standards procedures in a principal authority, party discipline can also be brought to bear. Most councillors will be members of a political group, and also often a national political party. A political group may follow its own procedures to advise members about their behaviour, remove councillors from committees, suspend them from the group, or remove them from positions to which they have been appointed by the group. A national political party may also follow its own procedures and suspend or expel a councillor from the party. These processes may be undertaken in consultation with the Monitoring Officer or other senior officers, or under the group or party's own initiative.

Within the statutory framework, principal authorities have discretion to develop their own standards procedures according to their own needs and resources. For example, some authorities give a more significant role to their Monitoring Officer and only involve a standards committee or Independent Person in the case of a formal investigation, others make extensive use of party discipline to resolve standards issues informally, and some authorities involve Independent Persons and standards committee members in a range of activities aimed at upholding ethical conduct and ethical decision-making within the authority. This means that authorities' standards arrangements, whilst they have commonalities, can in practice be implemented very differently. We discuss these different approaches throughout this report.



Developments leading to the current framework for local government ethical standards

Much of the framework for local government standards which has been in place since 1997 has been a direct or indirect result of the Committee's recommendations.

Since we first considered local government standards in 1997, the sector has moved from a largely unregulated standards regime to a highly centralised system under the Standards Board, which was subsequently reformed in the mid-2000s and finally abolished in 2012, giving way to the highly devolved system which is currently in place.

1997 The Committee's third report, *Standards of Conduct in Local Government in England, Scotland and Wales* (1997), made a range of recommendations to improve ethical standards in local government. These included a requirement for local authorities to adopt a code of conduct based on general principles, the creation of public registers of interests, and rules on councillors declaring both pecuniary and non-pecuniary interests and withdrawing from discussion or voting where appropriate. Codes of conduct would be enforced by local standards committees with powers to suspend councillors, with tribunals in England, Wales, and Scotland to hear appeals.

1998 The Committee's recommendations were considered in detail by the incoming government in *Modernising local government: a new ethical framework* (1998), published by what was then the Department for Environment, Transport, and the Regions. The response, though agreeing with a number of recommendations, went well beyond what the Committee recommended, and proposed the creation of the Standards Board for England, which would investigate and adjudicate on all complaints about councillors except for those which were trivial or technical. The government held that leaving determination to local standards committees "[...] risks that allegations are not handled with that degree of objectivity or fairness" that the government considered an essential principle of the system.³ The Secretary of State issued a model code of conduct, containing provisions which were required to be included in local codes of conduct, and the Standards Board for England advised councils at the time not to include additional provisions in their codes.

³ Department for Environment, Transport and the Regions (1998), *Modernising local government: a new ethical framework*



2005 In the Committee's 10th report, *Getting the balance right* (2005), the Committee accepted that the standards framework had improved since 1997. However, it criticised the centralised method for handling complaints and argued that, both on proportionality grounds and in order to embed an ethical culture in individual local authorities, the framework should move to locally-based arrangements for all but the most serious cases. It argued for substantial reform of, but not the abolition of, the Standards Board.

2007 Responding to the Committee's 10th report, the government agreed that the Standards Board should become a more strategic regulator, and accepted that there were benefits "[...] in moving towards the promotion of more locally-based decision making in conduct issues, which would encourage local ownership of standards within local authorities". The Standards Board became 'Standards for England' and its role and relationship to local standards committees was altered accordingly by the Local Government and Public Involvement in Health Act 2007, with local authorities given the power to determine all but the most serious allegations. The Standards Committee (England) Regulations 2008 gave standards committees the ability to suspend councillors for up to six months following the finding of a breach.



2010 In 2010, the coalition government proposed significant reform of the local government standards regime, centred on the abolition of Standards for England, which ministers described as “[...] bureaucratic standards arrangements...which so often led to petty or politically motivated complaints”.⁴ The government proposed devolving responsibility for standards to individual local authorities, though without the ability to suspend or disqualify councillors. The initial proposals did not require councils to adopt a code of conduct, nor to have an independent check on deciding breaches.

The Committee welcomed responsibility for standards being held at a local level, noting that this was what it had originally recommended in 1997. However, the then Chair of the Committee, Sir Christopher Kelly KCB, expressed concerns that “[...] the proposals go well beyond the abolition of Standards for England. They involve the abolition of the national code of conduct for local authority members and remove the obligation on local authorities to maintain standards committees, chaired by independent people, to monitor standards and sanction aberrant behaviour. In future it appears that the only way of sanctioning poor behaviour between elections will be the criminal law or appeals to the ombudsman where someone’s interests are directly affected by a decision.”⁵

In response, the government included in the Localism Act 2011 a requirement for councils to adopt a code of conduct which, when viewed as a whole, was: consistent with the Seven Principles of Public Life; required the views of an Independent Person to be sought and taken into account when deciding on breaches of the code of conduct; and put a requirement for pecuniary interests to be registered and declared on the face of the Bill, which passed into law in November 2011.

4 Letter from Bob Neill MP to all local authority leaders, 28 June 2012, Available online at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5657/2169997.pdf

5 “Public confidence in local government standards is at risk”, Committee on Standards in Public Life Press Notice, 14 September 2010



Responsibility for standards

Whilst we consider each element of the standards process within this report, we have also considered the system as a whole; in particular, the question of where responsibility for standards in local government should lie – whether locally or with a national, centralised body. Any system needs to be able to support and protect councillors, officers, and members of the public.

There are clear benefits to local authorities having responsibility for ethical standards.

First, ownership of ethical standards – local responsibility for ethical standards ensures that the application and implementation of the Seven Principles of Public Life in local government is fully ‘owned’ by the sector. Ethical standards should not be seen as something that can be outsourced to another organisation; a highly centralised system for codes of conduct, investigations and sanctions risks implying that maintaining an ethical culture is somebody else’s responsibility. The evidence we received strongly indicates that local authorities want to keep responsibility for setting standards, based on the Seven Principles, and maintaining an ethical culture in their own authorities; and want to be given the tools and resources to do so.

Second, flexibility – our evidence suggests that flexibility is a major strength of the current standards arrangements. Local government involves working in close proximity. A system which is overly formal, as a centralised system would tend to be, can actually inhibit high ethical standards as it precludes light-touch, informal action to address potential issues at an early stage, and to resolve them in a way which takes account of the culture and needs of the authority and its existing working relationships.

Third, reduction in vexatious complaints – the evidence we have seen also suggests that the vexatious and politically-motivated complaints that existed under the centralised regime, prior to 2011, and about which we expressed concern in 2005, have significantly reduced.

We have carefully considered the arguments in favour of a centralised body responsible for overseeing standards in local government, as is the case for example in the devolved administrations of the UK.

The obvious benefit would be that it would improve consistency of standards across England. We have considered in particular the argument that members of the public in one area of the country will have the same expectations of the standards upheld by local councillors as members of the public in another area of the country. We suggest, however, that it is possible in general to enhance consistency without centralisation.

We have also considered how increased centralisation may make the process of setting codes, and investigating and deciding upon standards breaches, more independent and objective. It is important that there is independent input and oversight in any standards system, not least to provide councillors with support and adequate protection from unwarranted politically motivated allegations or unfair treatment, and to maintain the confidence of the public. The evidence we received suggests that it is possible to strengthen independent safeguards – through strengthening the role of independent members on standards committees and the Independent Person – within a framework of local responsibility for maintaining standards.



Overall, we do not favour a return to a centralised system and recommend that responsibility for ethical standards should remain with local authorities. While consistency and an independent element are important aspects of the standards framework, the recommendations we make throughout this report would enhance the consistency of standards across England and increase the independence of the relevant processes, whilst retaining local authorities' ownership of ethical standards and the flexibility this allows.



Chapter 2:

Codes of conduct and interests

Clear, relevant, and proportionate codes of conduct are central to maintaining ethical standards in public life. Codes of conduct were identified by the Committee as one of the essential ‘strands’ in maintaining ethical standards in public life in its first report in 1995, at a time when many public sector organisations did not have them.

Codes of conduct play an important role in maintaining ethical standards in an organisation. They are not an alternative to values and principles, but they make clear how those values and principles should be put into practice. They enable people to be held to account for their actions by setting out clear expectations about how they should behave.

As we stated in our 2013 report, *Standards Matter*:

Organisations need their ethical principles to be elaborated in codes which contextualise and expand on their practical implications. Holders of public office can then be clear what is expected of them, particularly in grey areas where the application of principles may not be self-evident.⁶

Currently, local authorities have a statutory duty to adopt a code of conduct which, when viewed as a whole, is consistent with the Seven Principles of Public Life, and which includes provisions for registering and declaring pecuniary and non-pecuniary interests.

The intention was not that the Seven Principles could be treated as if a self-contained code, but instead that the principles should be used to underpin a well-drafted, practical and locally-relevant guide to behaviour.

As part of our evidence-gathering, we reviewed a sample of 20 principal authority codes of conduct. We have also drawn on the evidence received through our public consultation, visits and roundtables.

Variation, consistency, and clarity

There is considerable variation in local authority codes of conduct. Some of this is straightforward variation in structure and wording, but there is also considerable variation in length, breadth, clarity and detail.

We heard evidence that variation between codes, even where the codes do not differ in quality, is problematic. It creates confusion among councillors who are simultaneously serving in councils at multiple tiers of local government (for example, on both a parish and a district council, known as ‘dual-hatting’), particularly when requirements for declaring and registering interests are different. It also creates confusion among members of the public over what is required of different councillors in different areas and tiers of local government.

⁶ Committee on Standards in Public Life, *Standards Matter* (Cm 8519, January 2013), 4.4



The main problem I have experienced as Monitoring Officer...is the lack of consistency across codes... In district council areas, as Monitoring Officer, you have oversight of both district and parish council complaints. Each council can have their own version of the code (meeting the minimum provisions under the Localism Act 2011). It makes life difficult for councillors who are 'twin' or 'triple' hatters having to abide by different codes, and potentially inconsistent in the advice you can provide on each different version of a code.⁷

Monitoring Officer, North Hertfordshire District Council

In light of these problems, it is of little surprise that some councils have taken voluntary steps to agree mutual codes of conduct. For example, all of the principal authorities in Worcestershire have agreed a 'pan-Worcestershire' code. This also meant that common training could take place across authorities.⁸

In order to ensure a consistency of standards and expectations of both councillors and the public (and not least because we have a lot of dual-hatted members), the eight principal authorities co-operated in advance of the new regime to create a 'pan-Worcestershire' Code of Conduct which was adopted by all eight, and we understand a majority of town and parish councils in the county as well.⁹

Worcestershire County Council

In Ashford, a 'Kent model' code of conduct and arrangements for dealing with complaints were developed based on the previous national code as this was considered preferable to ensure consistency, continuity and clearly defined expectations.¹⁰

Ashford Borough Council

The issue of parish councils' codes of conduct is closely related; we discuss this in detail in chapter 5.

Model code of conduct

A model code of conduct would create consistency across England, and reflect the common expectations of the public regardless of geography or tier. It would also reduce the potential for confusion among dual-hatted or triple-hatted councillors. As we discuss below, areas such as gifts and hospitality, social media use, and bullying and harassment have all increased in salience, and are not regularly reflected in local authority codes of conduct. All local authorities need to take account of these areas, and a model code of conduct would help to ensure that they do so.

Whilst the principle of localism is set to facilitate greater local determination on practices best suited to each authority, this may result in inconsistencies of rigour in application of cases from one authority to another...we recommend that model codes of conduct be developed for use by authorities.¹¹

INLOGOV, University of Birmingham

7 Written evidence 22 (Jeanette Thompson)

8 Written evidence 173 (Worcestershire County Council)

9 Written evidence 173 (Worcestershire County Council)

10 Written evidence 138 (Ashford Borough Council)

11 Written evidence 160 (INLOGOV)



We recognise that there are benefits to councils being able to amend their own codes. For example, a council may provide more detail on appropriate use of social media, relationships with officers, or conduct during council meetings, depending on its own culture and the specific issues it may face. Local authorities can also revise their codes of conduct where they find them difficult to apply in practice, and to learn from best practice elsewhere. A mandatory code set by central government would be unlikely to be updated regularly or amended in light of learning experiences.

A council having final ownership of its code of conduct solidifies the ownership of ethical standards within an authority. There are benefits to a conversation within a council of what high ethical standards would look like in their own context. For example, Uttlesford District Council told us during our visit that the process of rewriting their code and standards process played a positive role in setting an effective ethical culture and making councillors aware of the behaviour expected of them.¹² A mandatory national code would take away ‘ownership’ of ethical standards from local authorities, since those standards would be set centrally, from outside of local government. The Committee commented on the national code in place before 2000 that it had become something which was “[...] done to local authorities; rather than done with them”.¹³ We would not want to return to such a state of affairs.

We therefore consider that there should be a national model code of conduct, but that this should not be mandatory, and should be able to be adapted by individual authorities.

The existing model codes available to local councils compare unfavourably to bespoke

codes, with little detail on important areas such as social media use and bullying and harassment. Therefore, a new model code would be needed. The updated model code should be drafted by the Local Government Association, given their significant leadership role in the sector, in consultation with representative bodies of councillors and officers of all tiers of local government. The Ministry of Housing, Communities and Local Government should ensure that they are given the necessary resources and support to undertake this work.

Recommendation 1: The Local Government Association should create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government.

Bullying and harassment

The evidence received by the Committee suggests that most allegations of code breaches relate to bullying and harassment. This is an area of ethical standards that is much better recognised since the Committee last undertook a review of local government.

Our code of conduct sampling found that most codes of conduct do not cover this behaviour effectively. Whilst most codes sampled had a specific prohibition on bullying and specifically prohibited intimidation in respect of any allegations of wrongdoing, only two out of twenty codes sampled included specific behaviours that would amount to bullying, and five had only a broad provision such as ‘showing respect for others’. Given that the Nolan Principles are not a code of conduct, and so are not prohibitory in character, codes

¹² Uttlesford District Council Standards Committee, Visit to Uttlesford District Council, 10 September 2018

¹³ Committee on Standards in Public Life (2005), *Getting the balance right*, Cm 6407, 3.10



which do not elaborate on them will lack these provisions, although we consider that such prohibitions rightly fall under the Nolan principle of leadership.

Example of a bullying provision

Extract from Newcastle City Council code of conduct¹⁴

You must not bully or harass any person (including specifically any council employee) and you must not intimidate or improperly influence, or attempt to intimidate or improperly influence, any person who is involved in any complaint about any alleged breach of this code of conduct.

(Note: Bullying may be characterised as: offensive, intimidating, malicious or insulting behaviour; or an abuse or misuse of power in a way that intends to undermine, humiliate, criticise unfairly or injure someone. Harassment may be characterised as unwanted conduct which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for an individual.)

Bullying and harassment can have a significant impact on the wellbeing of officers and councillors who are subject to it. Such behaviour is not acceptable in the workplace, particularly from public office-holders with responsibilities to show leadership.

It is also a broader standards issue, given that individuals subject to bullying or harassment

may be pressured to make decisions or act in ways which are not in the public interest. As such, it is important that bullying and harassment are dealt with effectively, and that a local authority's code of conduct makes provisions to address these matters.

Broader standards failure arising from bullying

In several high-profile cases of standards failures in local government, bullying behaviour which was not challenged or addressed enabled other, more serious misconduct to take place, including the failure of scrutiny and governance structures or financial misconduct.

The Gowling WLG report into Sandwell Metropolitan Borough Council in 2016 considered allegations of a councillor improperly influencing the sale and purchase of council property and attempting to gain favours for their family members.

The report found that the councillor at the centre of allegations of financial impropriety had bullied and coerced a senior housing officer over a long period.

Senior officers did not take steps to prevent the bullying from taking place, which the report stated “[...] left a vulnerable employee horribly exposed to undue pressure, and, more corrosively, perpetuated the culture within the department of ignoring governance”.¹⁵

¹⁴ Newcastle City Council Code of Conduct. Available at: https://www.newcastle.gov.uk/sites/default/files/wwwfileroot/your-council-and-democracy/how-council-works/standards-issues/part_5_2a_-_members_code_of_conduct.pdf
¹⁵ Gowling WLG (2016) *Report to the Chief Executive, Assistant Chief Executive, Monitoring Officer and Chief Financial Officer of Sandwell Metropolitan Borough Council*. Available online at: http://www.sandwell.gov.uk/downloads/file/24029/gowling_wlg_report



The Committee heard from Monitoring Officers and independent investigators that the broad ‘respect’ provision upon which many councils rely is not suitable for dealing with allegations of bullying and harassment. Broad provisions are difficult to adjudicate on with consistency, particularly in the absence of additional, more detailed guidelines of what the provision entails. They also tend to give rise to further disputes over whether behaviour is captured by that provision.

Whilst there is no statutory definition of bullying, the Advisory, Conciliation and Arbitration Service (Acas) have codified a helpful definition: “offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient” .¹⁶

Examples of bullying behaviour include:

- spreading malicious rumours, or insulting someone by word or behaviour
- copying memos that are critical about someone to others who do not need to know
- ridiculing or demeaning someone – picking on them or setting them up to fail
- exclusion or victimisation
- unfair treatment
- overbearing supervision or other misuse of power or position
- unwelcome sexual advances – touching, standing too close, display of offensive materials, asking for sexual favours, making decisions on the basis of sexual advances being accepted or rejected
- making threats or comments about job security without foundation
- deliberately undermining a competent worker by overloading and constant criticism
- preventing individuals progressing by intentionally blocking promotion or training opportunities¹⁷

16 Advisory, Conciliation and Arbitration Service (Acas), *Bullying and harassment in the workplace: a guide for managers and employers*. Available online at: <http://www.acas.org.uk/media/pdf/c/j/Bullying-and-harassment-in-the-workplace-a-guide-for-managers-and-employers.pdf>

17 Advisory, Conciliation and Arbitration Service (Acas), *Bullying and harassment in the workplace: a guide for managers and employers*. Available online at: <http://www.acas.org.uk/media/pdf/c/j/Bullying-and-harassment-in-the-workplace-a-guide-for-managers-and-employers.pdf>



Harassment is defined in the Equality Act 2010 as “unwanted conduct related to a relevant protected characteristic”, which has the purpose or effect of violating an individual’s dignity or “creating an intimidating, hostile, degrading, humiliating or offensive environment” for that individual”.¹⁸

These definitions make clear that bullying and harassment are instances of serious misconduct. By their nature they are likely to be persistent behaviour, rather than one-off instances. A councillor should not be considered to be bullying or harassing an officer or another councillor simply by making persistent enquiries or requests for information, nor by saying something that the individual concerned simply dislikes or with which they disagree strongly. Genuine instances of bullying and harassment will fall outside the limits of legitimate free expression; but equally accusations of such behaviour should not be used as an attempt to restrict legitimate inquiries or free expression. We discuss the enhanced protection that is afforded to political expression and the appropriate limits of free speech by councillors in more detail below.

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Half of the codes sampled by the Committee made reference to a separate protocol on councillor-officer relations. Whilst many of these protocols focussed on the duties of

officers, particularly in respect of impartiality requirements, we did see protocols laid out reasonable expectations of a good working relationship, which provides better support to the maintenance of a good ethical culture. The requirements of protocols can be enforced through the formal standards process where councils include a specific requirement to act in accordance with the protocol in the main code of conduct.

Intimidation of councillors

During our review, we received evidence relating to the intimidation of councillors, which we undertook to collect as a result of representations received from the local government sector during our 2017 review, *Intimidation in Public Life*.¹⁹

The evidence we received suggests that intimidation of councillors is less widespread than intimidation of Parliamentary candidates and MPs, but, when it does occur, often takes similar forms and is equally severe and distressing. In line with our 2017 findings, it is particularly likely to affect high-profile women in local government.

Instances of councillors being attacked and harassed, notably on social media, is an increasing trend and a very serious issue. There is anecdotal evidence from across the country that female leaders and councillors are subject to more abuse than their male counterparts.²⁰

Local Government Association

Although they do not otherwise fall within the scope of our review, we also heard concerning evidence of intimidation of Police and Crime Commissioners.

18 Equality Act 2010, section 26

19 Committee on Standards in Public Life (2017), *Intimidation in Public Life*, Cm 9543

20 Written evidence 170 (Local Government Association)



On a Sunday afternoon at my home address I was visited by a person who over many years has been a serial complainer about the police and my office. The person is believed to have mental health issues and refused for some time to say who she was or what she wanted. The visit was distressing to my wife and daughter.

My intimidation all related to the release of my home address, with people calling unannounced, one of the three above had an injunction against him.²¹

Association of Police and Crime Commissioners

Given the generally similar pattern of evidence we received in relation to intimidation by social media, we consider that our 2017 recommendations, where implemented, should help to address the intimidation of local councillors.

One aspect in which the intimidation of councillors is distinct from that of MPs and Parliamentary candidates is in relation to home addresses. Unlike MPs and candidates, councillors' addresses are often public, for example, on a council website or on a register of interests. The nature of local democracy means that those who are likely to engage in intimidation of a councillor are likely to live nearby. We heard of cases of councillors being confronted in public whilst in a private capacity, for example, whilst with their family or shopping. Whilst this may not always be intimidatory as such, we heard that councillors are highly aware that they have a high profile in their immediate local area, and so the fear of physical intimidation is much greater. The fact that individuals' home addresses are public

can also make any threats made through electronic means, such as social media, more distressing.

We therefore welcome the government's commitment to bring forward secondary legislation to implement our 2017 recommendation that the requirement for candidates standing as local councillors to have their home addresses published on the ballot paper should be removed.

In *Intimidation in Public Life*, we recommended that Monitoring Officers draw councillors' attention to the sensitive interest provisions in the Localism Act 2011, that permit the non-disclosure of details in the register of interests where the member and Monitoring Officer agree that their disclosure could lead to violence or intimidation.²² We received evidence, however, that often these provisions would only be invoked after a councillor had experienced intimidation or harassment, in which case their address was already publicly available.

Given the experience of intimidation by too many in public life, we do not believe it is justifiable to require any candidate standing for or taking public office to make their home address public, whether on a ballot paper or a register of interests. The general principle should be that an individual's home address should be kept confidential and not disclosed publicly or beyond the necessary officials without the individual's consent.

Some authorities have a blanket policy that home addresses will be recorded on the register of interests but omitted from the published version.

21 Written evidence 307 (Association of Police and Crime Commissioners)

22 Committee on Standards in Public Life (2017), *Intimidation in Public Life*, Cm 9543, 62



Example of local authority policy on home addresses

In accordance with the arrangements for the placing of Register of Interests on the City Council's website agreed by the Standards Committee details of members' home addresses will be omitted from the version placed on the website.²³

City of Westminster, *Guidance note to members on Register of Interests.*

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to make clear that the 'land' category does not require a councillor to register their home address.

Recommendation 2: The government should ensure that candidates standing for or accepting public offices are not required publicly to disclose their home address. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to clarify that a councillor does not need to register their home address on an authority's register of interests.

Scope of the code of conduct

At the moment, codes of conduct can only apply to local councillors when they are acting in their capacity as a councillor.²⁴ This means that in practice a councillor cannot breach a code of conduct by, or be sanctioned for, objectionable behaviour in a private context (for example, the way they conduct themselves in a private dispute with a neighbour).

Numerous complaints are made about councillors' conduct on social media or at events, which in some cases are well-founded. However, if the councillor is not acting in their official capacity then Monitoring Officers are limited in their ability to deal with such conduct. This undermines the public confidence in the standards regime as the public expect higher standards of conduct from their elected representatives.²⁵

Lawyers in Local Government

Our evidence suggests that the current narrow scope of the code of conduct makes it difficult to effectively deal with some instances of poor behaviour, particularly in relation to social media use.

The question of public and private capacity raises significant questions about the privileges and responsibilities of representatives. Democratic representatives need to have their right to free speech and expression protected and not unduly restricted; but equally the public interest demands that they meet certain responsibilities in that role.

²³ City of Westminster, *Guidance note to members on Register of Interests*. Available online at: <https://www.westminster.gov.uk/register-members-interests>

²⁴ Localism Act 2011, section 27(2): "...a relevant authority must, in particular, adopt a code dealing with the conduct that is expected of members and co-opted members of the authority *when they are acting in that capacity*"

²⁵ Written evidence 228 (Lawyers in Local Government)



Some public sector codes of conduct cover behaviour which could purport to be in a personal capacity, but which would inevitably bear on the individual's public role. For example, government ministers are prohibited from acting as patrons of certain organisations or nominating individuals for awards, even if this would purport to be in their personal capacity.²⁶

This suggests to us that the question is not whether behaviour in a personal capacity can impact on an individual's public role, but when it does so.

We took evidence from the standards bodies in Northern Ireland, Scotland and Wales in order to consider their approaches to this issue.

The devolved standards bodies take one of two approaches: either restricting the scope of the code to apply only when a councillor is acting in an official capacity (Scotland), or allowing that a councillor may engage in behaviour in a purely private capacity, which is serious enough to bring their office or authority into disrepute (Wales and Northern Ireland).

In Scotland, the code of conduct only applies to councillors where a member of the public would reasonably consider that the member was acting in their capacity as a councillor. Factors such as whether the behaviour took place on council property, or through a social media account identifying the individual as a councillor, would be taken into account in deciding whether the code of conduct applied. Even if the councillor behaved in a seriously inappropriate way, the code would not apply if there was no suggestion that they were acting as a councillor when they did so.

In Northern Ireland, four provisions of the code of conduct explicitly apply to councillors in all circumstances, not just when they are carrying out their role as a councillor, including a provision not to bring the office of councillor into disrepute.

In Wales, the code of conduct applies both when a councillor is acting in their official capacity (including if they claim to act or give the impression that they are acting in that capacity), and when a councillor behaves in a way that could "[...] reasonably be regarded as bringing [their] office or [their] authority into disrepute".²⁷ This includes any time a councillor attempts to use their position to gain advantages (or to avoid disadvantages) for themselves or others, or misuses their local authority's resources. The Welsh Ombudsman has also issued guidance of the application of the code of conduct to social media use.

Public Service Ombudsman for Wales social media guidance

"If you refer to yourself as councillor, the code will apply to you. This applies in conversation, in writing, or in your use of electronic media. There has been a significant rise in complaints to me concerning the use of Facebook, blogs and Twitter. If you refer to your role as councillor in any way or comments you make are clearly related to your role then the code will apply to any comments you make there. Even if you do not refer to your role as councillor, your comments may have the effect of bringing your office or authority into disrepute and could therefore breach paragraph 6(1)(a) of the code."²⁸

26 Ministerial Code, paras 7.13, 7.18

27 The Local Authorities (Model Code of Conduct) (Wales) Order 2008, Schedule, section 2(c)

28 Public Service Ombudsman for Wales (2016), *The Code of Conduct for members of local authorities in Wales: Guidance from the Public Services Ombudsman for Wales*. Available online at: <https://www.ombudsman.wales/wp-content/uploads/2018/03/Code-of-Conduct-CC-CBC-NPA-August-2016.pdf>



The widespread use of social media presents a particular challenge to determining whether a code of conduct applies to instances of behaviour. In line with the guidance provided in Wales, it is clear to us that when a social media account identifies the individual as a councillor or an individual makes comments related to their role as a councillor, then the code of conduct applies. This would be the case even if the individual posts a 'disclaimer' to suggest that the account is a personal one.

However, a number of recent cases also suggest to us that high standards are expected of public office holders in their use of social media, even when this purports to be in a personal capacity. What is relevant is not just whether an individual is acting in an official capacity or a personal capacity, but also whether the behaviour itself is in public or in private. Restrictions on what an individual may do or say in public are different in kind from restrictions on an individual's private life.

There is a need to balance the rights and responsibilities of democratic representatives. The sort of public behaviour that is relevant to a public office and its code of conduct therefore depends on the scope and nature of the public role in question: the requirements for civil servants will rightly be different to the requirements for teachers, for example. Roles representing the public, such as MPs or councillors, have particular privileges that need to be protected, but also need to acknowledge a greater responsibility, given the scope and public visibility of the role.

Inevitably, councillors carry their council 'label' to some extent in their public behaviour. What counts as relevant public behaviour for the purpose of the councillor code of conduct should therefore be drawn more broadly.

An individual's private life – that is, private behaviour in a personal capacity – should rightly remain out of scope. This includes, for example, what is said in private conversations (where those conversations are not in an official capacity), private disputes and personal relationships. But those in high-profile representative roles, including councillors, should consider that their behaviour in public is rightly under public scrutiny and should adhere to the Seven Principles of Public Life. This includes any comments or statements in print, and those made whilst speaking in public or on publicly accessible social media sites.

This does not, however, mean that councillors should be censured just because an individual dislikes or disagrees with what they say; standards in public life do not extend to adjudicating on matters of political debate. Controversial issues must be able to be raised in the public sphere, and councillors should have their right to form and hold opinions respected. ECHR Article 10 rights to freedom of expression must be respected by councils when adjudicating on potential misconduct, taking into account the enhanced protection afforded to political expression.



Article 10: Rights to freedom of expression

Article 10 of the European Convention on Human Rights states that “everyone has the right to freedom of expression”, although this right is not absolute, and is subject to “such formalities, conditions, restrictions and penalties as are prescribed by law and are necessary in a democratic society...for the protection of the rights and interests of others”.²⁹

The *High Court, in Heesom v Public Service Ombudsman for Wales*,³⁰ considered the application of Article 10 to local councillors, taking into account judgments by the European Court of Human Rights.

It found that “Article 10 protects not only the substance of what is said, but also the form in which it is conveyed. Therefore, in the political context, a degree of the immoderate, offensive, shocking, disturbing, exaggerated, provocative, polemical, colourful, emotive, non-rational and aggressive, that would not be acceptable outside that context, is tolerated.”

It added that politicians, including councillors, have “enhanced protection as to what they say in the political arena” but by the same token are “expected and required to have thicker skins and have more tolerance to comment than ordinary citizens”.

A councillor’s Article 10 rights extend to “all matters of public administration and public concern including comments about the adequacy or inadequacy of performance of public duties by others” but do not extend to “gratuitous personal comments”.

We do not consider that the approach taken by Wales and Northern Ireland, in extending the code of conduct to any behaviour that is sufficiently serious as to bring the office of councillor or the council into disrepute, could easily be replicated in England. Broad provisions are likely to create disputes about what falls within their scope, particularly when there is not a central authoritative body to rule on those provisions and disseminate previous cases.

We therefore propose that, given their significant representative role, there should be a rebuttable presumption that a councillor’s behaviour in public is in an official capacity. An individual’s behaviour in private, in a personal capacity, should remain outside the scope of the code.

Recommendation 3: Councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.

Purporting to act as a member or a representative

The 2007 model code for local government stated that its scope included not just when a councillor was “conducting the business of the authority”, but also if a councillor was to “act, claim to act or give the impression you are acting as a representative of your authority”.³¹ The Localism Act 2011 does not include this qualification. As a result, some cases where

29 European Court of Human Rights and Council of Europe, European Convention on Human Rights, Article 10

30 *Heesom v Public Service Ombudsman for Wales* [2014] EWHC 1504 (Admin)

31 The Local Authorities (Model Code of Conduct) Order 2007



an individual is improperly purporting to act as a councillor do not fall within the scope of the code, even though the councillor in question would clearly be misusing their office. For example, a councillor may threaten to cause someone a detriment by implying they would do so through their influence as a councillor.

The issue [of public and private capacity] needs to be looked at more in the round, including serious matters which do not lead to a criminal conviction or where a councillor, though not acting as a councillor, has purported to misuse his or her office through threats of the ‘don’t you know who I am’ variety.³²

Hoey Ainscough Associates

*MC v Standards Committee of LB Richmond*³³ drew a distinction between a member purporting to act as a member and purporting to act as a representative of the local authority, stating that one would not necessarily imply the other. Both of these seem to us to be sufficient conditions for the code of conduct to apply to an individual. Given this established case law, any change to the current legislation governing codes of conduct should include both conditions.

Recommendation 4: Section 27(2) of the Localism Act 2011 should be amended to state that a local authority’s code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority.

Compliance with standards processes

Complying with standards investigations, and not seeking to misuse the standards process, is an important aspect of ethical conduct. This is for three reasons. First, there is a strong public interest in an effective standards process that is not subject to disruption or abuse. Secondly, councillors should seek to maintain an ethical culture in their authority, and showing appropriate respect for the process contributes to this. Thirdly, non-compliance and misuse wastes public money and the time of officers.

Councillors should not seek to disrupt standards investigations by, for example, not responding to requests for information, clarification or comment in a timely way, or refusing to confirm their attendance at a standards hearing. Nor should councillors seek to misuse the standards process, for example, by making allegations against another councillor for the purposes of political gain.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.

Writing codes of conduct

The Committee has previously outlined criteria for an effective code of conduct:

- seen as relevant every day and not exceptional
- proportionate – giving enough detail to guide actions without being so elaborate that people lose sight of the underlying principle

³² Written evidence 212 (Hoey Ainscough Associates)

³³ *MC v Standards Committee of LB Richmond* [2011] UKUT 232 (AAC) (14 June 2011)



- adapted to the needs and context of each organisation
- clear about the consequences of not complying with the code, both for the individual and others
- wherever possible, framed positively³⁴

We have seen evidence that some councils have adopted a minimal code of conduct which amounts to a restatement of the Seven Principles of Public Life. We were concerned to note that DCLG's illustrative code would fall into this category.³⁵ The Seven Principles of Public Life are not a code of conduct: codes of conduct specify what the principles demand in a specific context in order to guide behaviour. Using principles, rather than rules, in a code of conduct can also lead to protracted arguments about what sort of behaviour falls under a particular principle in the absence of specific guidance.

In terms of codes, as an investigator I encounter a variety of codes. They tend to fall into some broad families, ranging from those authorities that adopted the previous statutory code almost unchanged at one end to the extreme other end of the spectrum, which is only the Nolan Principles. That is the whole code. We have great difficulty in working with 'Nolan-only' codes.³⁶

**Jonathan Goolden,
Wilkin Chapman LLP**

Drawing up a code is an important process for an authority: it involves the members of that authority considering what the Seven Principles of Public Life demand in their own context.

A failure to create or adopt a substantive code means that the potential benefits of devolved standards are not being realised.

Many authorities have not yet revisited their codes in the light of learning experiences.³⁷

**Jonathan Goolden,
Wilkin Chapman LLP**

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Codes of conduct should be written in plain English and be accessible for councillors and members of the public. They cannot be written to cover every eventuality, and attempts to do so may actually make codes less effective. They should therefore not be 'legalistic' in tone, or overly technical in style.

A code of conduct is not a values or vision statement for an organisation. It therefore needs to state clearly what is required of councillors rather than an aspiration or aim. Often this will mean phrasing requirements in terms of what councillors 'must not' do.

The requirements should also be enforceable: codes should not include provisions such as 'councillors must be aware of...'.³⁷

³⁴ Committee on Standards in Public Life, *Standards Matter* (Cm 8519, January 2013), 4.9

³⁵ DCLG (2016), *Illustrative Text for Local Government Code of Conduct*. Available online at: <https://www.gov.uk/government/publications/illustrative-text-for-local-code-of-conduct--2>

³⁶ Jonathan Goolden, Roundtable, 18 April 2018

³⁷ Jonathan Goolden, Roundtable, 18 April 2018



Where detailed provisions or guidance are required (for example, guidance about social media, or guidance on officer-member relations) these should ideally be kept in a separate document.

Codes of conduct are central to upholding high standards in public life. They should not be inaccessible on a local authority's website, or as an annex to an authority's constitution.

Example of a clear code of conduct

Extract from Plymouth City Council code of conduct³⁸

Disrepute

Councillors must not act in a manner which could be seen to bring the council or the role of councillor into disrepute.

Misuse of position

Councillors must not try to use their position improperly to gain an advantage or disadvantage for themselves or others.

Use of council resources

When councillors use the council's resources or let other people use them, they must follow any reasonable rules set by the council and make sure that resources are not used improperly for political purposes (including party political purposes).

Advice of Monitoring Officer and Responsible Finance Officer

Councillors must consider any advice given by the Monitoring Officer or Responsible Finance Officer when taking decisions.

Giving reasons for decisions

Councillors must give reasons when required to by the law or by any council procedures.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Councillors' interests

The Nolan principle of integrity is based upon protecting the public interest. Where there is undue influence on a public office-holder, including through conflicts of interest, this can lead to decisions which are not made in the public interest.

Integrity: Holders of public office must avoid placing themselves under obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

A system for managing conflicts of interest should distinguish between the requirements for *registering* interests and *declaring or managing interests*. Not all interests that are registered would necessarily present a conflict such that they would need to be managed. Equally, a councillor may have a very specific conflict of interest in relation to a matter, which it would be disproportionate to register given the improbability of that conflict arising in the future.

38 Available online at: <https://www.plymouth.gov.uk/sites/default/files/Code%20of%20Conduct%20and%20Rules%20of%20Debate.pdf>



The purpose of a register of interests is to make transparent an individual's financial and non-financial interests and relationships that are the most likely to lead to a potential conflict. This includes for example, paid employment, significant investments, trusteeships, and directorships. This enables an individual to be held to account for the way in which they manage these interests where necessary.

An interest needs to be managed only where it is reasonable to suppose that an individual's participation in a discussion or decision could be unduly influenced by a particular relationship or personal interest.

How an interest should be managed depends on three factors: the degree of involvement of the individual in the decision or discussion; how directly related the interest or relationship is to the decision or discussion in question; and how significant the interest or relationship is to the individual. Where these factors are minor, then simply declaring the interest may be sufficient. Where the factors are significant, an individual should recuse themselves from the discussion and decision; and should leave the room in the most serious cases.

Where the arrangements necessary to manage an interest or relationship prevent the individual properly from discharging their role (for example, if restrictive arrangements would very regularly have to be put in place), then either the interest should be disposed of or the role relinquished.

The Disclosable Pecuniary Interests (DPI) arrangements

The evidence we have received is that the current Disclosable Pecuniary Interests (DPI) arrangements are not working: the requirements for declaring and managing interests are too narrow; they are unclear both to councillors and the public; and they do not require the registration of important interests such as unpaid directorships and gifts and hospitality.

Strengthening and clarifying the system for declaring and managing interests is all the more important in light of increasingly complex decision-making in local government. To ensure and to demonstrate openly that the principle of integrity is being upheld, it is important to have comprehensive and robust arrangements in place for managing potential conflicts of interest.

We appreciate that the DPI requirements as set down in the Localism Act 2011 and in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 are drafted in such a way that a breach of those requirements constitutes a criminal offence. However, as we explain in chapter 4, we have concluded that the criminal offences in the Localism Act 2011 are not fit for purpose and we recommend that they should be repealed. Our conclusions and recommendations in this section therefore do not take these offences into account.



Registering interests

The requirements for a register of interests should be based on the principle we lay out above, that the purpose of a register is to make transparent those interests and relationships which would be most likely to lead to a conflict of interest.

Currently, local authorities are required by law only to make arrangements for registering and declaring pecuniary interests of a councillor and their spouse or partner.

The current list contains manifest omissions such as hospitality deriving from a councillor's position, unpaid employment (including directorships), interest in land outside of a council's area, pecuniary interests of close family members who are not spouses, and memberships of lobby or campaign groups.³⁹

Cornerstone Barristers

We received evidence from a number of legal practitioners and local authorities to suggest that the current list of interests required to be registered is drawn too narrowly.

The narrow requirements of the current law are partly a result of the DPI regime not distinguishing between requirements for registering interests on the one hand, and for declaring and managing interests on the other, which we address below.

Pecuniary interests

Currently, councillors must register their and their spouse or partner's pecuniary interests within the following categories:

- employment, office, trade, profession or vocation carried on for profit or gain
- sponsorship towards election expenses or expenses incurred in carrying out duties as a member
- contracts between the authority and the individual, or a body in which the individual has a beneficial interest
- land in the local authority's area
- securities where the firm has land or a place of business in the local authority's area, and the holding is worth more than £25,000 or the individual holds more than 1% of share capital
- licences to occupy land in the local authority
- corporate tenancies where the landlord is the local authority

Based on the evidence we received, the current list of pecuniary interests required to be registered is satisfactory.

Non-pecuniary interests

Local authorities are not required by law to include specific non-pecuniary interests on their register of interests, although many do so. The Committee's sampling of codes of conduct found most codes had a provision on registering and declaring non-pecuniary interests, although there was some variation in what was required. Four codes out of twenty had no provisions relating to non-pecuniary interests. Some had a broad provision of

39 Written evidence 281 (Cornerstone Barristers)



declaring when a matter might affect a councillor more than the majority of people in the affected area. One authority required councillors only to declare if they were a member of a trade union. Most opted for a form of words that included any management roles in a charity, a body of a ‘public nature’, or an organisation seeking to influence opinion or public policy. Some codes created a category of personal interests or other interests (some of which pecuniary) which, whilst not registrable, should be declared under certain circumstances.

Where councils only comply with the disclosable pecuniary interest requirements and a code of conduct that does little more than comply with the Nolan Principles, it was felt that the regime was too light touch to maintain public confidence.⁴⁰

Mid Sussex District Council

The purpose of a register is to make transparent those interests and relationships which would be most likely to lead to a conflict of interest. Based on this principle, two additional categories of interests should be required to be included in a local authority’s register of interests. First, relevant commercial interests of a councillor and their spouse or partner which may be unpaid – for example, an unpaid directorship (even if non-executive). Secondly, relevant non-pecuniary interests of a councillor and their spouse or partner such as trusteeships or membership of organisations that seek to influence opinion or public policy.

As members increasingly become involved in voluntary and third sector bodies, the issue of conflicts is more prominent and it is not a matter in respect of which there is adequate provision in the code of conduct [...] although there are some provisions within the Localism Act in relation to predetermination it is not considered that it is adequately dealt with in the ethics context beyond DPs.⁴¹

London Borough of Croydon

At a local level, it is perhaps even more likely that non-pecuniary interests – for example, being an unpaid trustee of a local sports club – would lead to a conflict of interest than a councillor’s ordinary paid employment. As the Monitoring Officer of Camden Council stated in evidence to us: “[...] we expect that the public would consider that a member who was a long-serving unpaid trustee of a charity may not be able to consider a potential grant award by the council to the charity entirely fairly and objectively”.⁴²

As we explain in more detail below, the test for whether a councillor should have to register an interest should nevertheless be separate from the test for whether a councillor should have to withdraw from a discussion or vote. Under our recommendations, even if a councillor would have to register an interest for the sake of transparency, they would not have to withdraw from a discussion or vote unless there was a conflict of interest, based on the ‘objective test’ in recommendation 7 below.

40 Written evidence 50 (Mid Sussex District Council)

41 Written evidence 166 (London Borough of Croydon)

42 Written evidence 151 (Andrew Maughan, Camden Council)



Recommendation 5: The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to include: unpaid directorships; trusteeships; management roles in a charity or a body of a public nature; and membership of any organisations that seek to influence opinion or public policy.

Gifts and hospitality

Currently, there is no legal requirement for local authorities to maintain a gifts and hospitality register, nor for individual councillors to register or declare gifts and hospitality they receive as part of their role.

Most codes sampled by the Committee required councillors to register gifts and hospitality in some way. Six out of twenty of the codes sampled had no provision for this. Among codes providing for a gifts and hospitality register, there was variation in the value threshold, which was variously set at £25, £50, or £100. Gifts and hospitality were also treated in a number of different ways: some codes established a straightforward register, some stated that gifts or hospitality were an 'other interest' which should be registered alongside non-pecuniary interests, and others defined the giver of a gift or hospitality over a certain value effectively as an 'associate' of the councillor, whose interest should be declared if a matter would affect them.

In London, we found £79,000 had been spent by more than 200 developers, lobbyists and others involved in the property industry on 723 lunches, dinners and all-expenses paid trips for 105 councillors.⁴³

Transparency International UK

The Committee has seen evidence that the accessibility and timeliness of local authorities' registers of interest varies widely. Many are reported in a non-standard format, and some registers are not updated for long periods. Independent oversight and inspection is important to maintaining high ethical standards, and local authorities should facilitate this by ensuring that their registers are accessible to those who would wish to inspect them.

We are also concerned about the use of high thresholds for reporting gifts and hospitality even where registers exist. An individual threshold of £100 could allow a councillor to accept significant gifts and hospitality from a single source on multiple occasions, without needing to register the fact that they have done so. £50 is the registration threshold for gifts or donations during election campaigns, which would then provide a consistent declaration threshold both during and outside election periods.⁴⁴

Recommendation 6: Local authorities should be required to establish a register of gifts and hospitality, with councillors required to record any gifts and hospitality received over a value of £50, or totalling £100 over a year from a single source. This requirement should be included in an updated model code of conduct.

43 Written evidence 315 (Transparency International UK)

44 Available online at: http://www.electoralcommission.org.uk/_data/assets/pdf_file/0005/141773/ca-part-3-locals-ew.pdf, 20



Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

We are aware of helpful guidance from the Cabinet Office for civil servants on the broader principles surrounding gifts and hospitality. They propose three principles that should guide whether an individual should accept gifts or hospitality:

Cabinet Office principles for accepting gifts or hospitality

- Purpose – acceptance should be in the interests of departments and should further government objectives.
- Proportionality – hospitality should not be over-frequent or over-generous. Accepting hospitality frequently from the same organisation may lead to an impression that the organisation is gaining influence. Similarly, hospitality should not seem lavish or disproportionate to the nature of the relationship with the provider.
- (Avoidance of) conflict of interest – officials should consider the provider’s relationship with the department, whether it is bidding for work or grants or being investigated or criticised, and whether it is appropriate to accept an offer from a taxpayer-funded organisation.⁴⁵

The principles of proportionality and avoiding conflicts of interest are particularly important to safeguard the principle of integrity.

The Committee has considered the issue of gifts and hospitality offered by lobbyists in particular, in its report *Strengthening transparency around lobbying*. We concluded that public officer holders accepting significant gifts and hospitality “[...] risks creating a conflict of interest by placing them under an obligation to a third party, which may affect them in their work including when they take decisions, which is relevant to the Nolan principle of integrity”.⁴⁶

In February 2018, it was reported in the press that the chairman of Westminster City Council planning committee received gifts and hospitality 514 times in three years, worth at least at a total of £13,000. The councillor subsequently stood down following an internal inquiry.

The evidence we have received suggests that acceptance of gifts and hospitality is of most concern when it comes to planning. Planning is an area of decision-making where a small number of councillors can have a significant impact on the financial interests of specific individuals or firms. Councillors involved in planning decisions should therefore generally not accept over-frequent or over-generous hospitality and should always ensure that acceptance of such hospitality does not constitute a conflict of interest.

45 Cabinet Office (2010), *Guidance on civil servants receiving hospitality*. Available online at: <https://www.gov.uk/government/publications/guidance-on-civil-servants-receiving-hospitality>

46 Committee on Standards in Public Life (2013), *Strengthening transparency around lobbying*, 3.18



Partner and family interests

Under the DPI arrangements, any relevant pecuniary interests of a councillor's spouse or partner are considered as a DPI of the councillor.

We heard concerns during the review that the DPI arrangements infringe on the privacy of a councillor's spouse or partner. We recognise these concerns, though note that, where there would be a potential conflict of interest, the principle of integrity requires that any such interests should nevertheless be declared and resolved.

Under the Localism Act 2011, however, councils are not required to register spouse or partner interests separately from those of the councillor, although many do so. The DCLG guidance on DPIs states that: “[...] for the purposes of the register, an interest of your spouse or civil partner, which is listed in the national rules, is your disclosable pecuniary interest. Whilst the detailed format of the register of members' interests is for your council to decide, there is no requirement to differentiate your disclosable pecuniary interests between those which relate to you personally and those that relate to your spouse or civil partner.”⁴⁷

Declaring and managing interests

The evidence we received suggests that the DPI requirements for declaring and managing interests are currently unclear. The current wording in the Localism Act 2011 requires that a councillor must not participate in a discussion or vote in a matter (or take any further steps in relation to it) where they are present at a meeting and they have “[...] a disclosable pecuniary interest in any matter to be considered, or being considered, at the meeting”. The test of having a ‘disclosable

pecuniary interest *in* any matter’ is ambiguous, as strictly speaking under the Act a councillor's DPI is the employment, land, or investment (for example) itself. The Act does not specify how closely related an interest must be to the matter under consideration to count as an interest ‘in’ that matter. Recent case law has not settled this issue decisively, which means that there is little authoritative guidance for councillors or those who advise them.

Despite the regulations and DCLG guidance, there is still a dispute regarding what would be a Disclosable Pecuniary Interest – for example, in situations where the interest is the subject of the meeting or affected by the decision – such as in planning applications. This can make declarations of interests problematic.⁴⁸

North Hertfordshire District Council

The fundamental problem is in the wording of the Localism Act which requires members to declare interests (and not participate at meetings) when they have a DPI ‘in any matter to be considered at a meeting’. Under the former regime, the situation was much clearer as an interest arose where where a matter under consideration ‘relates to or is likely to affect’ the interest, thus creating a nexus between the item of business and the incidence of interest. This nexus is absent from the Localism Act regime and it creates significant uncertainty as to when a DPI exists in certain situations.⁴⁹

Ashford Borough Council

47 Department for Communities and Local Government (2013), Openness and transparency on personal interests: A guide for councillors

48 Written evidence 22 (North Hertfordshire District Council)

49 Written evidence 138 (Ashford Borough Council)



The current declaration and withdrawal requirements are also too narrow. Currently, a councillor would not need to declare an interest or recuse themselves where a close family member was affected by a decision, nor a close associate (whether a personal friend or a business associate). This should be addressed by a more demanding test for declaring and managing interests, separately to registration requirements.

We have seen that the standards arrangements in Scotland, Wales and Northern Ireland usually rely upon an 'objective test' for determining whether an interest needs actively to be managed (for example, the individual recusing themselves).

Tests for actively managing interests in the devolved codes

Scotland

"Whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a councillor."⁵⁰

Wales

"[...] if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest."⁵¹

Northern Ireland

"An interest will be considered significant where you anticipate that a decision on the matter might reasonably be expected to benefit or disadvantage yourself to a greater extent than a other council constituents."⁵²

(Councillors must also declare any registered interest in a matter under consideration.)

We propose the introduction of an objective test, in line with practice in Wales and Scotland, for whether a councillor should recuse themselves from a discussion or vote. We heard from the Standards Commission for Scotland and the Public Service Ombudsman for Wales that this test works well in practice. We note that a practical division between the requirements for registering interests and managing interests, with an objective test for the latter, is in line with the categories of personal and prejudicial interests under the

50 Scotland Code of Conduct for Councillors, para 5.3

51 The Local Authorities (Model Code of Conduct) (Wales) Order 2008, Schedule, section 12

52 Northern Ireland Local Government Code of Conduct for Councillors, para 6.3



Local Government Act 2000. We heard that officers and councillors generally considered these to be clearer and easier to understand than the DPI arrangements.

In line with the principles we set out for declaring and managing interests above, councillors should declare an interest where an interest in their register relates to a matter they are due to discuss or decide upon, but they do not need to recuse themselves unless the objective test is met.

We note that section 25 of the Localism Act 2011, which draws a firm distinction between predisposition and predetermination, is relevant to the participation of councillors in certain decisions or votes. A councillor should not be considered to have a significant interest in a matter, and therefore have to withdraw from a discussion or vote, just by virtue of having previously expressed a prior view, even a strong view, on the matter in question. This includes if they are, for example, a member of a relevant campaigning group for that purpose.

Recommendation 7: Section 31 of the Localism Act 2011 should be repealed, and replaced with a requirement that councils include in their code of conduct that a councillor must not participate in a discussion or vote in a matter to be considered at a meeting if they have any interest, whether registered or not, “if a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision-making in relation to that matter”.

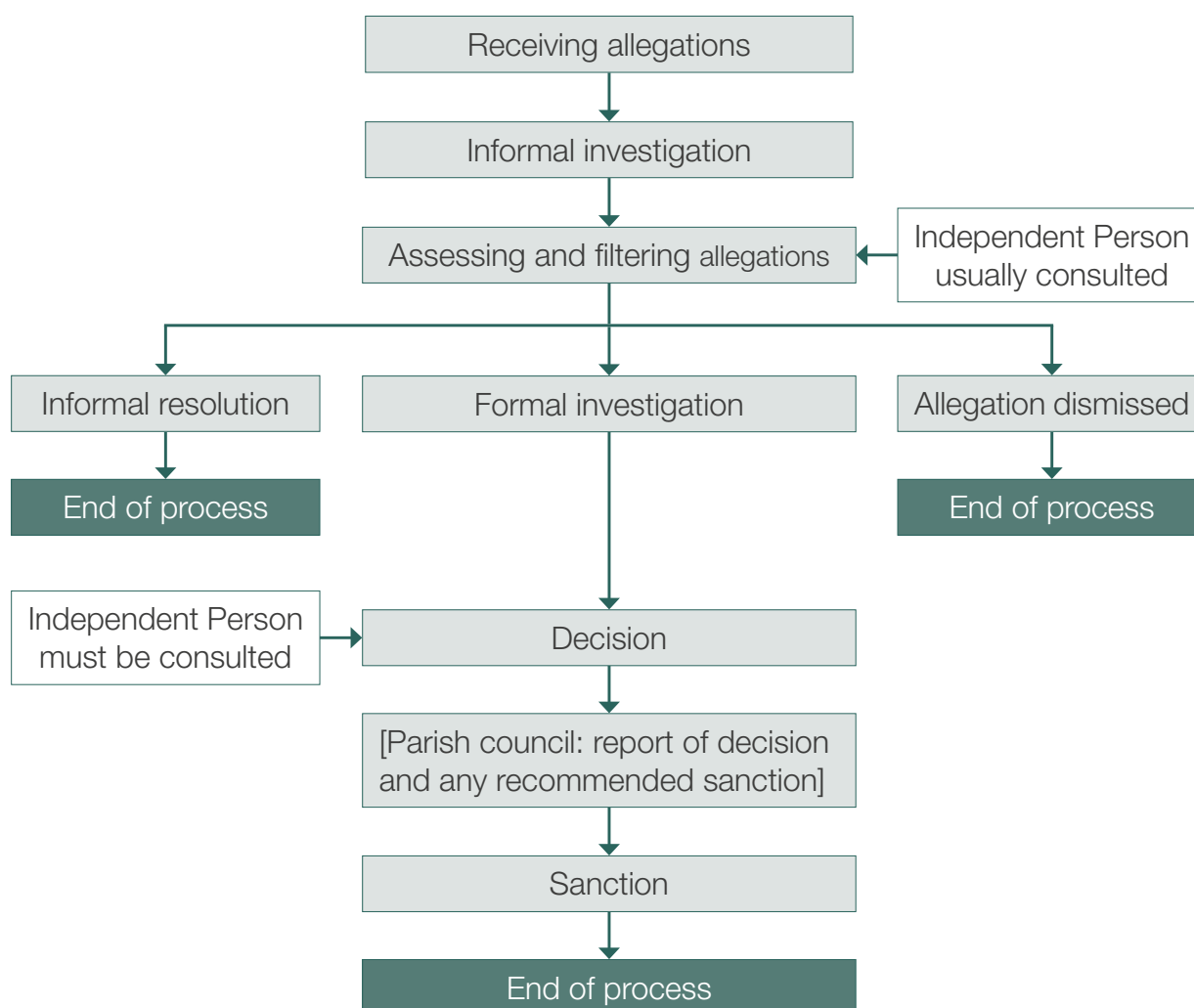


Chapter 3: Investigations and safeguards

Investigations

An authority must have an effective, fair, impartial, and transparent complaints and investigation procedure, in which both councillors and the public can have confidence. Sanctions should be imposed in a consistent way, and only where there is a genuine breach.

The current investigation process





Objectivity: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

An investigation process needs to be proportionate and fair. The process must have an independent element as a check on the impartiality of decision-making. The more significant the sanctions that can be imposed, the more robust the independent element needs to be in order to safeguard the fairness of the process. At the moment, this element is primarily fulfilled by the Independent Person. Whilst the Monitoring Officer has the power under current legislation to investigate and make decisions on allegations, many principal authorities have standards committees to decide on allegations and impose sanctions.

Filtering complaints

The Monitoring Officer usually filters complaints about councillor conduct and judges if the complaints are trivial or vexatious, or whether they should proceed to a full investigation. Usually this filtering is based on the judgment of the officer, often against a formal policy, though the Monitoring Officer may seek the advice of an independent person or members of a standards committee when they do so.

The standards bodies in Scotland, Wales and Northern Ireland all make use of a 'public interest' test when filtering complaints. These tests set clear expectations to those making complaints and ensure consistency of approach. The tests do not necessarily need to be detailed. For example, the Northern Ireland Local Government Commissioner for Standards provides a simple two-stage test, which asks whether they 'can' investigate the complaint, and whether they 'should'.

Northern Ireland Local Government Commissioner for Standards public interest test

1 'CAN' we investigate your complaint?

- Is the person you are complaining about a councillor?
- Did the conduct occur within the last six months?
- Is the conduct something that is covered by the code?

2 'SHOULD' we investigate your complaint?

- Is there evidence which supports the complaint?
- Is the conduct something which it is possible to investigate?
- Would an investigation be proportionate and in the public interest?⁵³

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Safeguards

A certain level of independent oversight is crucial to any standards arrangement. The inclusion of an independent element in the process of deciding on code breaches is important to ensure that the process is fair and impartial, and that councillors are protected against politically-motivated, malicious or unfounded allegations of misconduct.

53 Available online at: <https://nipso.org.uk/nilgcs/making-a-complaint/how-we-deal-with-your-complaint/>



In the current local government standards system, this element is provided by the Independent Person. We believe that this safeguard should be strengthened and clarified. Other safeguards should also be put in place to ensure the fairness of the process, by enabling independent members of standards committees to vote, and a provision for councillors to appeal a decision to suspend them following the finding of a breach.

Our councillors feel safe with the standards committee because they know any allegation will be dealt with fairly and impartially. As group whips, we know that if something goes through the process it will have the confidence of our members.⁵⁴
Cllr Dan Cohen, Leeds City Council

Independent Persons

The role of the Independent Person has become a distinctive office in its own right. The provisions in the Localism Act 2011 give councils considerable flexibility over what sort of person performs the role (with only the criteria for 'independence' specified) and how the role is performed, subject to the requirement that their views must be able to be sought by members and complainants and that their views must to be sought and taken into account before deciding on an allegation that has been subject to a formal investigation.

We have met some exceptional Independent Persons in the course of our review, who give their time and expertise to maintain high standards in local authorities. We have been impressed by the diligence and commitment of those we have met. The role is often unpaid or subject to a nominal payment or honorarium.

The Independent Person has no formal powers, and whilst their views must be 'taken into account', they do not have a decisive say on the outcome of an investigation. As such, the nature and effectiveness of the role in any individual instance depends both upon the appointee and the attitude of the local authority.

The title 'Independent Person' creates a false impression with the public, who believe that I have real decision-making powers. In reality I have no powers at all, the role is wholly advisory and weak [...]⁵⁵
Richard Stow, Independent Person

We have seen a number of different approaches taken by local authorities and by the office-holders themselves towards the Independent Person rules. Some are simply consulted as required over email by a Monitoring Officer, or attend standards committees in an observer capacity; others play an active role in reviewing an authority's code or processes, offering training to councillors or even forming an authority-wide ethics panel to advise on all aspects of ethical practice and decision-making.

Regardless of the approach taken, it is clear that a positive relationship with the local authority's Monitoring Officer is crucial to being able to perform the role effectively. This relationship involves a mutual recognition of roles: on the one hand, recognising that the Monitoring Officer has specific responsibility and accountability for the standards process in an authority, and on the other that the Independent Person can bring a valuable external and impartial perspective that can assure and enhance the fairness of the process.

54 Cllr Dan Cohen, Visit to Leeds City Council, Tuesday 18 September 2018

55 Written evidence 209 (Richard Stow)



We do agree that the Independent Persons provide a valuable objective voice in the standards process. It is incredibly useful for the Monitoring Officer to have this support and advice from an external perspective, and it offers a great opportunity for local residents to bring a wide variety of experience and expertise to the process.⁵⁶

London Borough of Sutton

Local authorities use Independent Persons in different ways, and we have seen evidence of a range of good practice. Many authorities will appoint two or more Independent Persons. Some authorities will, in any given case, have one Independent Person offer a view to members or complainants, and another to offer a view to the local authority, so as not to be in a position where they may be forced to prejudge the merit of an allegation. Other authorities will consult with one Independent Person on whether to undertake a formal investigation, and another to advise on that investigation. Many local authorities consult an Independent Person at all points of the process, including when filtering complaints.

Best practice 7: Local authorities should have access to at least two Independent Persons.

We heard that many Monitoring Officers appreciate the impartial view that the Independent Person can offer, both to improve the quality of decision-making itself and as a visible check on the process to reassure councillors and complainants that their decisions are made fairly. We have also heard evidence, however, of councils failing to make

good use of their Independent Person, and of an antagonistic or dismissive attitude towards their role.

The evidence we received suggests that the Independent Person role needs to be clarified, strengthened, and better supported.

The years since the passage of the Localism Act have seen a more defined role for the Independent Person emerge. This role should now be formalised. In our view, an Independent Person needs not just to be independent according to the requirements of the Localism Act 2011 but should also show an ability to:

- offer authoritative and impartial advice
- maintain independence in a politically sensitive environment
- gain the confidence of councillors, officers, and the public
- make decisions on an impartial basis, grounded in the evidence
- work constructively with the local authority and senior officers

The Independent Person should be seen primarily as an impartial advisor to the council on code of conduct matters. They should provide a view on code of conduct allegations based on the evidence before them, and whilst being aware of the political context, should be politically neutral. Local authorities should make use of their perspective and expertise when reviewing their code of conduct and processes. Their advice should also be able to be sought from subject members and members of the public, in line with the requirements of the Localism Act.

56 Written evidence 311 (London Borough of Sutton)



Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

The role should also be strengthened. Security of tenure is important in order to protect Independent Persons from being removed from their role for unpopular advice or recommendations. Equally, however, restricted tenure can ensure that the Independent Person's judgment and independence is not compromised by a long period of involvement in a single authority.

There is a tendency to recruit IPs on a four-year basis and that is eminently sensible; it makes it less possible for IPs to be accused of becoming too close to council members. I think it is important to ensure that IPs are seen as remaining independent and continuing to reach their own conclusions on issues where their views are sought.⁵⁷

**Dr Peter Bebbington,
Independent Person**

We therefore recommend that Independent Persons should be appointed for a fixed term of two years, with the option of a single re-appointment. The terms of multiple Independent Persons should ideally overlap, to ensure a level of continuity and institutional memory.

Recommendation 8: The Localism Act 2011 should be amended to require that Independent Persons are appointed for a fixed term of two years, renewable once.

Currently, there is no requirement for the Independent Person's view on a case to be formally recorded, for example, in a formal decision issued by the Monitoring Officer or a standards committee. Whilst there may be reasons that the decision-maker ultimately reaches a different view from the Independent Person, the safeguard that they provide would be stronger if their view was always made transparent.

Although the law requires them to give views on matters under investigation and for the council to have regard to those views, in practice they are often invisible from the process to an outsider – the public whom they are meant to represent. It is not clear to us where their views are published so that the public can have confidence that the council has had regard to them and that the process has been independently verified.⁵⁸

Hoey Ainscough Associates

Recommendation 9: The Local Government Transparency Code should be updated to provide that the view of the Independent Person in relation to a decision on which they are consulted should be formally recorded in any decision notice or minutes.

⁵⁷ Dr Peter Bebbington, Roundtable, 18 April 2018

⁵⁸ Written evidence 212 (Hoey Ainscough Associates)



Were councils to be given the ability to suspend councillors, as we recommend in chapter 4, more safeguards would need to be put in place to ensure that this sanction is imposed fairly and that councillors are properly protected from potential misuse of the standards process. We suggest that the Independent Person would have to confirm that, in their view, a breach of the code had taken place, and that they agree that suspension would be proportionate, in order for the local authority to impose suspension for that breach.

Recommendation 10: A local authority should only be able to suspend a councillor where the authority's Independent Person agrees both with the finding of a breach and that suspending the councillor would be a proportionate sanction.

We have noted recent First Tier Tribunal cases⁵⁹ which have found that it will often be, on balance, in the public interest to disclose the view or advice of the Independent Person under the Freedom of Information Act 2000. As above, we support the Independent Person's advice being made public, which could enhance openness and accountability. However, we are concerned that Independent Persons would not automatically enjoy indemnity if a councillor or member of the public were to take legal action against them, in the same way that a member or officer of an authority would. Local authorities should take steps to provide legal indemnity to Independent Persons if their views are disclosed, and the government should confirm this through secondary legislation if needed.

Recommendation 11: Local authorities should provide legal indemnity to Independent Persons if their views or advice are disclosed. The government should require this through secondary legislation if needed.

We have seen the benefits of strong networks among Monitoring Officers and senior officers, in order to share best practice, undertake professional development, and learn from each other's experiences. We would support the creation of a network of Independent Persons, which, despite the potential benefits it could offer, is currently lacking at present.

59 Bennis v ICO & Stratford [2018] UKFTT 2017_0220 (GRC)



Strengthening and clarifying the role of the Independent Person

Current role	Proposed role
No role specification	Clarified role specification
No requirements for term	Fixed-term appointment, renewable once
Required only to be consulted by the authority on an allegation subject to a formal investigation	Best practice also includes being consulted on allegations the MO is minded to dismiss, and on whether to undertake a formal investigation
No formal powers	Must agree with the finding of a breach and that suspension is proportionate for a councillor to be suspended
No disclosure requirements	The view of the IP is recorded in any formal decision notice or minutes
No legal protection	Legal indemnity provided by local authority

Standards committees

Under the Localism Act 2011, local authorities are not required to have standards committees to adjudicate on breaches and decide upon sanctions, but a large number of authorities in England choose to do so.

Local authorities should maintain a standards committee. A standards committee can play a role in deciding on allegations and sanctions, or in monitoring standards issues in the local authority and reporting back to full council, or a combination of these.

We have come across a range of different ways in which standards committees operate as part of our review. Leeds City Council produce a valuable annual report to council from the standards committee. Cornwall Council include representatives from town and parish councils and a town clerk, in addition to independent members and members of the principal authority. The Independent Persons who observe the Uttlesford District Council

standards committee have also led training workshops and the redrafting of the code of conduct. Each of these, in their own way, harness the knowledge and observations of the standards committee to elevate issues or significant trends to the notice of the council.

Under the current legislative framework, a standards committee may be advisory (only advising the council as a whole on what action to take, and unable by itself to exercise any of the council's formal powers) or decision-making (having the council's formal powers to decide on allegations and to impose sanctions where a breach is found delegated to it). If the standards committee is a decision-making committee, it is permitted to have independent members (members who are not councillors) appointed to it, but those members are not allowed to vote. Advisory standards committees may have voting independent members. Under the current legislation, Independent Persons in an authority cannot also be members of its standards committee.⁶⁰

⁶⁰ Localism Act 2011, sections 27(4) and 28(8)



A number of respondents to our consultation considered that the system would be strengthened by allowing independent members of decision-making standards committees to vote. We suggest that the current requirements for an Independent Person, with the necessary amendments, should apply to such members (that the individual is not a member, not otherwise co-opted on to a committee of the authority, not an officer in the authority or a dependent parish within the last five years, nor a relative or close friend of such an individual).

The Member Conduct Committee at Wychavon is broadly happy with the existing processes and structures, but feels that it was a retrograde step to remove the voting rights of independent members, who are a cornerstone of an objective conduct committee. The committee would also suggest that the ability to invite parish council representatives to take part in investigations should be restored.⁶¹

Wychavon Borough Council

We have also seen evidence of the advantages of including parish representatives on standards committees, who under the current arrangements, could not be voting members unless on an advisory committee. Including parish representatives on a principal authority standards committee can build a more effective relationship between their respective councils and enable the committee to take the perspective and views of the parish into account.

Recommendation 12: Local authorities should be given the discretionary power to establish a decision-making standards committee with voting independent members and voting members from dependent parishes, to decide on allegations and impose sanctions.

Even where a local authority includes independent members on a standards committee, they would still be required to retain an Independent Person. In line with our best practice above, although the independent members of standards committee would enhance the independence of a formal decision-making process on an allegation, an Independent Person would still be required to advise subject members on allegations and advise the Monitoring Officer on allegations they are minded to dismiss and on whether to undertake a formal investigation.

Appeals and escalation

A means of appeal is an important aspect of natural justice, and as a safeguard for councillors to ensure that the standards process operates fairly and impartially. Whilst the Local Government and Social Care Ombudsman (who we refer to as the “Local Government Ombudsman”) can consider complaints about the investigation and decision process followed by a local authority where there is evidence of injustice, there is currently no means of appeal against the finding of a breach by a local authority within the local government standards system.

A formal appeal system would be disproportionate in relation to the most commonly imposed sanctions, such as censure or training. However, we recommend

61 Written evidence 211 (Peter Purnell)



in chapter 4 the introduction of a power to suspend councillors for up to six months. As an aspect of natural justice, such a sanction would require a right of appeal.

The lack of a right of appeal (either by the complainant/subject member) is often criticised.⁶²

Lawyers in Local Government

We have considered a range of options for how a right of appeal could be included within the local government standards arrangements, including internal appeals within a principal authority. However, we consider that an appeals process should ideally be independent. As we set out in chapter 1, we do not believe that a new, external standards body should be created, and so consider that giving a role for appeals to the Local Government Ombudsman would be the most appropriate way to enable an independent, external appeal process.

If these more serious sanctions were available to standards committees, we accept that this could require some kind of external/independent appeal process to be available to the member complained about. This could be organised through the LGA or regional associations such as London councils, and need not require a return to the much criticised national statutory arrangements of the Standards Board, although some additional resource would be required. An alternative would be for the Ombudsman to consider or hear appeals if they met a certain threshold, as we understand the Welsh LGO does in their role.⁶³

London Borough of Sutton

Currently, the Local Government Ombudsman can investigate a local authority's decision-making process in undertaking a standards investigation or imposing a sanction on grounds of maladministration where there is some evidence of injustice, for example, if there is an unreasonable delay or evidence of a conflict of interest. This avenue is open both to complainants and to subject councillors. The Ombudsman could then recommend a remedy to the local authority (though this is not legally enforceable). The Local Government Ombudsman stated in evidence to us that it has investigated the standards process in a local authority in a small number of cases, usually recommending a remedy of re-running a standards investigation.⁶⁴ This is an under-appreciated safeguard within the current system.

Common issues with local authority standards processes considered by the Local Government Ombudsman⁶⁵

- unreasonable delays in councils taking action to investigate a complaint
- councils failing to take into account relevant information in reaching its decision
- councils not following their own procedures in investigating the complaint (e.g. not involving an independent person) or not having proper procedures in place

The Ombudsman cannot, however, adjudicate on the substantive question of whether a breach actually took place and what the appropriate sanction would be, as this lies outside their remit.

62 Written evidence 228 (Lawyers in Local Government)

63 Written evidence 311 (London Borough of Sutton)

64 Written evidence 126 (Local Government and Social Care Ombudsman)

65 Written evidence 126 (Local Government and Social Care Ombudsman)



Our powers enable us to investigate the council's handling of the complaint, and where there is evidence of injustice, we will be able to make recommendations for how the issues can be remedied. However, we cannot consider the substantive issues that form the complaint itself and do not provide a right of appeal against a council's decision whether there has been a breach of standards of conduct.⁶⁶

Local Government Ombudsman

The Local Government Ombudsman indicated in evidence to us that they considered that adjudicating on substantive standards issues would complement their existing work. Given that standards failings are often linked to broader institutional issues, giving the Ombudsman a greater role in considering ethical standards issues could improve their oversight of the sector as a whole.

In order to provide a genuine appeal function, the Ombudsman's decision would need to be legally binding on the local authority – rather than a non-binding recommendation, which is the formal status of the Ombudsman's decisions on cases of maladministration. This would likely require a separate legislative basis. We note that the Public Service Ombudsman for Wales also has a separate legislative basis for their investigations into breaches of the code of conduct to their broader ombudsman role.

In order to ensure that the appeal function would be used proportionately, we consider that it should only be available for councillors who have had a sanction of suspension imposed. The right of appeal should be time-limited, and the Ombudsman should issue

a decision within a specified, reasonable timeframe. The Ombudsman should be able to apply their own public interest test in deciding whether to investigate a case on appeal by a councillor. Complainants should not be permitted to appeal against a finding, but, as now, could complain to the Ombudsman on grounds of maladministration if they consider that the process followed was flawed; if, for example, there was evidence that was provided that was not taken into account.

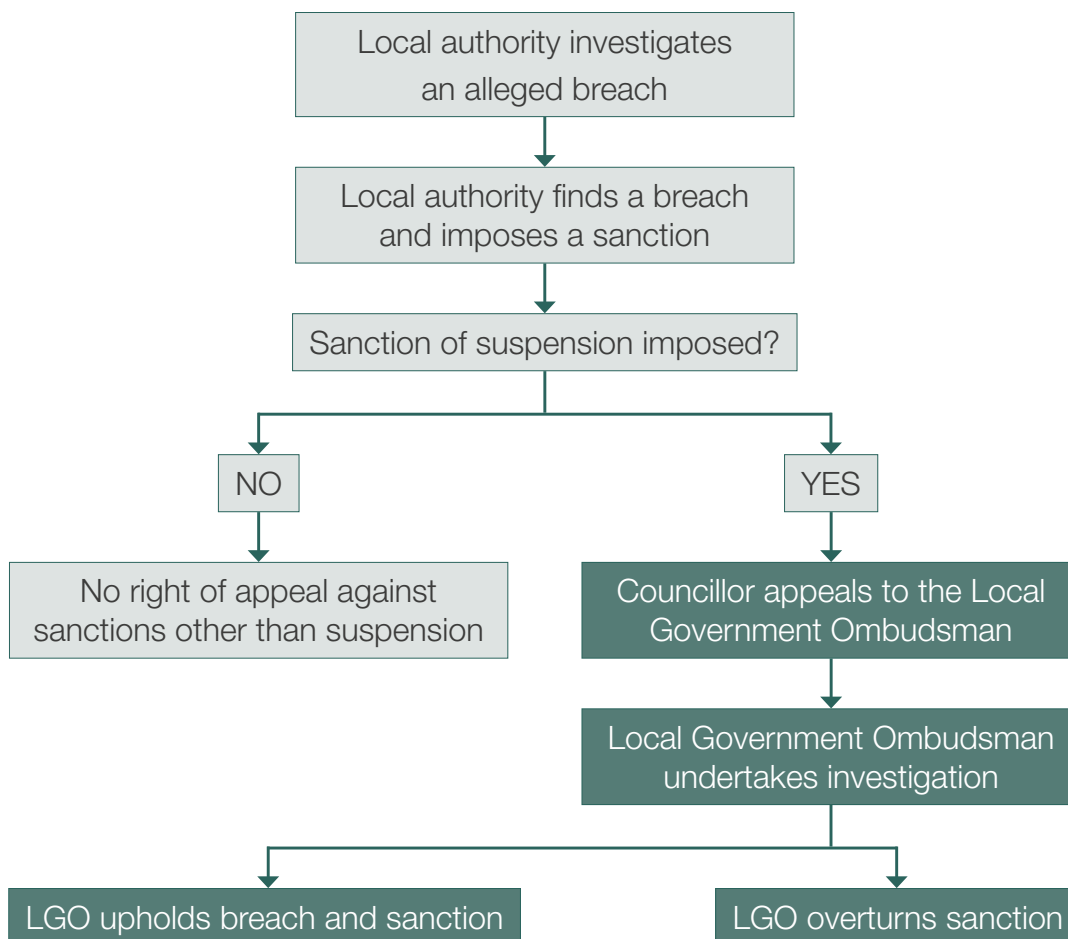
Whilst the Ombudsman's remit does not extend to town and parish councils, under the Localism Act, sanctions can only be imposed on parish councillors following the finding of breach and a recommended sanction by the principal authority, which we recommend below should become a binding decision by the principal authority. We therefore consider that parish councillors who are subject to a suspension should be able to appeal to the Local Government Ombudsman as the decision is taken by a principal authority, who already fall within the Ombudsman's remit.

The role of the Local Government Ombudsman would then be similar, on the one hand, to the role performed by the Adjudication Panel for Wales, which hears appeals of decisions by local standards committees; and on the other, to the Public Service Ombudsman for Wales and the Northern Ireland Public Services Ombudsman who have a combined local government standards and local government ombudsman role. A role limited to appeals against a decision to impose a period of suspension would mean that local authorities would retain primary responsibility for local standards and would avoid the creation of a centralised standards body.

66 Written evidence 126 (Local Government and Social Care Ombudsman)



Proposed appeals process





Recommendation 13: Councillors should be given the right to appeal to the Local Government Ombudsman if their local authority imposes a period of suspension for breaching the code of conduct.

The Nolan principle of openness demands that councils should be taking decisions, including decisions on standards issues, in an open way. The experience of the Committee is that whilst transparency does not automatically increase public trust in a process, it is nevertheless essential to enabling public scrutiny and accountability.

Recommendation 14: The Local Government Ombudsman should be given the power to investigate and decide upon an allegation of a code of conduct breach by a councillor, and the appropriate sanction, on appeal by a councillor who has had a suspension imposed. The Ombudsman's decision should be binding on the local authority.

We have seen examples of both good and bad practice in how open councils' standards processes are. The best examples involved a single, easily accessible page on an authority's website explaining in straightforward terms how a member of the public can make a complaint under the code of conduct, what their complaint needs to include, the process for handling complaints, and the expected timescales for investigations and decisions. That page would also include links to recent decisions on allegations that came before the standards committee.

Promoting openness and transparency

Openness: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Openness and transparency are important secondary safeguards, to ensure that the process can be scrutinised by other councillors and by the public. We heard evidence that many councils do not publish data and decisions on standards issues in a regular or open way. Councils should be free to make their own arrangements for whether they maintain a public list of pending investigations. However, councils should be recording allegations and complaints they receive, even if they do not result in an investigation, and should certainly publish decisions on formal investigations.

Recommendation 15: The Local Government Transparency Code should be updated to require councils to publish annually: the number of code of conduct complaints they receive; what the complaints broadly relate to (e.g. bullying; conflict of interest); the outcome of those complaints, including if they are rejected as trivial or vexatious; and any sanctions applied.



Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Avoiding legalisation

It is vital to get the balance right between the privileges and responsibilities of democratic representatives. Whilst councillors have a responsibility to uphold high standards, in particular by upholding their council's code of conduct, it would be concerning if they could easily be made subject to an expensive legal process, which could then make the standards system open to misuse. The standards arrangements in England should therefore remain based on 'lay justice', where the requirements and processes are sufficiently clear and straightforward so that no councillor subject to an investigation would be disadvantaged by lacking formal legal representation.

Updating and clarifying the Localism Act 2011 to address the practical problems of interpretation that have come to light in recent years – particularly regarding conflicts of interests – would help in this regard, as would a greater role for the Local Government Ombudsman, by allowing councillors to appeal a sanction of suspension without having to resort to the civil courts for review or remedy.

More broadly, the focus should remain on individual local authorities maintaining high standards in their own councils. Councils need not be tied up with long-running standards investigations; they should put in place strong filtering mechanisms to make sure that only allegations with real merit begin a formal process of investigation. Likewise, use of the most serious sanctions should remain rare. For those subject to an investigation or sanctions process, councils should also provide clear, plain English guidance on how the process works and councillors' responsibilities within it.



Chapter 4: Sanctions

Any system designed to uphold standards of ethical behaviour needs to include ways to address and redress behaviour which falls seriously and/or repeatedly short of what is expected. Under the current arrangements when a councillor has been found to have broken the code of conduct there is no requirement to comply with remedial action. Whilst it is recognised that early, informal resolution of minor misdemeanours can be the most effective, the evidence we received demonstrated overwhelmingly that this lack of enforcement authority is a weakness in the system which may also deter genuine concerns being raised. The questions remain, however, as to what sanctions are appropriate and proportionate, and who should enforce them.

Throughout this review it has become clear that ethical principles must be embedded in organisational culture through training and leadership, and codes of conduct should guide the behaviour of individuals by spelling out what those principles require. When misconduct does occur, however, sanctions play an important role in maintaining standards.

Sanctions are also needed to give credibility to an ethical culture, so that the culture is not engaged with cynically or lightly. As one academic commentator on local government standards has pointed out, “[...] although there is a tension between ‘rules-based’ and ‘cultural’ strategies it does not follow that they are mutually exclusive. Rather, the challenge is to find the balance between a system that supports self-motivation and trust whilst still being credible in the face of examples of persistent misconduct and cynical motivation.”⁶⁷

As we have stated previously, “[...] people need to see poor behaviour punished as well as good behaviour rewarded, although it is, of course, better for people to internalise the principles behind the right behaviour, and to want to do the right thing, than to do so only because of the fear of getting caught and punished.”⁶⁸

The purpose of sanctions

Sanctions serve four purposes in a standards framework: motivating observance of standards arrangements, deterring damaging behaviour, preventing further wrongdoing, and maintaining public confidence.

Sanctions help to ensure that individuals engage with an ethical standards regime. Our predecessor Committee noted in its first report that “[...] unless obligations are routinely and firmly enforced, a culture of slackness can develop with the danger that in due course this could lead on to tolerance of corruption”.⁶⁹ In this review we heard of a small but significant number of individual councillors who appeared to have no respect for a standards regime without cost or consequence and whose continued poor behaviour demonstrated their ‘opting out’.

Punitive sanctions can act as a deterrent to behaviour which is seriously damaging to the public interest. Sometimes a lapse in good conduct can be a genuine oversight, often due to lack of understanding or awareness, and any sanction should be appropriate and proportionate. But the more damaging behaviour requires a greater deterrent, particularly where it brings local democracy into disrepute or otherwise harms the public good.

67 Stephen Greasley (2007) “Maintaining ethical cultures: Self-regulation in English local government”, *Local Government Studies*, 33:3, 451-464

68 Committee on Standards in Public Life (2013), *Standards Matter*, Cm 8519, 4.25

69 Committee on Standards in Public Life (1995), *Standards in Public Life*, Cm 2850-I, para 97



Some sanctions are needed to prevent further wrongdoing where a breach occurs. These sanctions will typically involve curtailing or restricting an individual's activity in relation to council business, especially where the form of the breach suggests that a repeat offence is likely, or where council business would be inhibited by an individual's continued involvement.

The credibility of any standards regime is undermined without the option to resort to sanction when needed. Sanctions help to maintain public confidence that something can be done when things go badly wrong. When used correctly, the application of appropriate sanctions give reassurance that the expectations of the public of high standards of conduct are being observed, and that wrongdoing is taken seriously. Public confidence will, however, only be maintained if sanctions are sufficient to deter and prevent further wrongdoing, and are imposed fairly and in a timely way.

The current sanctions arrangements

The Localism Act 2011 removed the ability for councillors to be suspended or disqualified (except for the statutory disqualification requirements which we discuss below). As a result, councils have become increasingly creative in their approach to using sanctions. Sanctions used by local authorities include censure, apology and training, as well as the removal from committee responsibilities by a party and in some cases, the withdrawal of access to facilities and resources (for example laptops or unescorted building passes). However, sanctions which ban members from council premises usually require cross-party support and are typically only considered appropriate in response to threatening behaviour such as bullying council officers.

The evidence we received suggests that the lack of serious sanctions, such as suspension:

- prevents local authorities from enforcing lower level sanctions, such as training or apology. When councillors refuse to apologise or to undergo training, the only route open to councils is to publicise the breach and the refusal.
- damages the public credibility of the standards system. Members of the public who make code of conduct complaints but do not see a significant outcome even where a breach is found would be justifiably frustrated that the standards system is not dealing with misconduct in a robust or effective way.
- makes the cost and resources of undertaking an investigation disproportionate in relation to sanctions available. We have heard evidence that Monitoring Officers resist undertaking standards investigations where possible, due to the significant cost, where a likely sanction may only be censure or training. We have also heard some evidence that members of the public do not make formal complaints as they do not consider the effort worthwhile given the limited outcomes available.
- gives local authorities no effective means of containing reputational damage or preventing recurrence, for example, in the case of disclosure of confidential information or bullying of officials. We heard that the lack of effective sanctions is deeply frustrating for officers and councillors who want to maintain the effective running of a council and to maintain high standards of conduct.



The removal of the powers previously open to local authorities to suspend a councillor and the broader sanctions open to Standards for England has removed the teeth of the standards regime, particularly in relation to repeat offenders. This undermines public confidence in the standards regime, particularly in the eyes of complainants who may be left with the belief that a councillor found guilty of a breach has 'got away with it'.⁷⁰

Tonbridge and Malling Borough Council

We do have good processes in place, but rarely use them due to the expense and time taken knowing that there is no significant sanction available at the end of the process to address serious issues. Councils simply cannot afford to enter into potentially long and costly processes unless it is clearly in the public interest. Time and money are key factors when they really should not be. As such, no-one achieves real satisfaction under the current standards regime.⁷¹

Taunton Deane Borough Council

It is the almost universal view of every council we have worked with that the limited range of sanctions available to councils is completely unsuitable for the worst cases and for serial misconduct.⁷²

Hoey Ainscough Associates

Press reports show continuing instances of bullying, insulting, offensive and inappropriate behaviour towards fellow members, public and officers. Even when action is taken, in the worst cases, the limited sanctions that can be imposed are ignored or even seen as a 'badge of honour'... reports have historically shown how, if unchecked at the outset, a corrosive and demoralizing culture can quickly take hold.⁷³

David Prince CBE

Some councillors view low-level sanctions such as censure as a 'badge of honour', to indicate that they do not cooperate with the 'established' process, and may often not cooperate with sanctions in order to cause disruption to a local authority and the individuals within it.

Party group discipline

Political groups, where they exist, make use of their own internal disciplinary processes. These processes are used, for example, to enforce whipping, but also in response to breaches of ethical standards. The evidence we received suggested that these processes are used partly to fill the gap left by the lack of formal sanctions available to principal authorities.

70 Written evidence 24 (Tonbridge and Malling Borough Council)

71 Written evidence 131 (Taunton Deane Borough Council)

72 Written evidence 212 (Hoey Ainscough Associates)

73 Written evidence 31 (David Prince CBE)



In many places party discipline has effectively filled the void left by the council's lack of formal powers but in our experience this is patchy and too subject to political calculation, such as the effect on balance of power within an authority so cannot be relied upon to be consistent across the country.⁷⁴

Hoey Ainscough Associates

A political group is a group of any two or more councillors in a principal authority who formally notify the Monitoring Officer that they wish to be considered as a political group. Members of a political group do not have to be members of the same political party, though most councils will include groups from the main national political parties. The relative strength of numbers in political groups will determine the administration and opposition in a council.

Political groups will often undertake a whipping function, so that the group votes consistently on particular proposals (though this is not permitted in functions such as planning and licensing). They will exercise party discipline, both to enforce whipping and group rules, but also in response to poor behaviour by councillors.

The greatest sanctions appear to be informal sanctions issued by groups and leaders, in terms of, for example, removal from committees, other bodies, posts, and of the whip. Our strong view is that while in many cases political groups have acted on such bases, a standards framework that is reliant on the decisions of those groups to effect proportionate sanctions is not an effective one.⁷⁵

**Andrew Maughan, Monitoring Officer,
Camden Council**

Under the legislation which governs council committees, the council allocates seats on committees to political groups in proportion to the relative sizes of the political groups within the council as a whole. The council is required to put the wishes of a political group into effect as far as possible when allocating individual councillors to committees from within that group. This means that in practice, political group leaders decide on committee appointments (although the wishes of a majority of group members would in theory take precedence). This is a significant power of patronage that can be used as part of a disciplinary process by parties. Groups may also remove individuals from other posts to which they have been nominated by their group; and a majority party may also take away portfolios or other special responsibilities.

We heard from political parties that the threat of suspension or expulsion from a group in particular can be an effective deterrent at the level of political group within a council.

Whilst political groups have a formal legal definition, in practice they are organised differently in different authorities. Some will be highly organised with a hierarchy of a leader, deputy leader and group whips, will have group discussions on a large number of matters that come before council, and enforce whipping through party discipline. Others will have a group leader also acting as a group whip, and may take a lighter-touch approach to group discussions or whipping. Independent groups, for example, are very likely to take a light-touch approach to whipping, or, indeed, may have independence from a whip as the central rationale for the group.

Party discipline can play a positive role in upholding ethical standards within a local authority. We heard that senior officers may

74 Written evidence 212 (Hoey Ainscough Associates)

75 Written evidence 151 (Andrew Maughan, Camden Council)



often make an informal approach to political group leaders if they have concerns over the behaviour of a member of that group. Internal party discipline, or even simply advice from a group leader, can be a useful means of moderating individuals' behaviour without needing to resort to the formal standards process. However, we also heard of instances where an approach to a political group was considered a serious step, and that the Monitoring Officer, if they had any concerns about the behaviour of a councillor, would speak to that individual on a one-to-one basis.

Sometimes, however, cases of alleged misconduct may go to a political group leader or even the national leader of a political party instead of being reported to the Monitoring Officer at a local authority.

Examples of political party disciplinary process used as an alternative to the formal standards process

In July 2018, a Greenwich councillor was suspended by their political group, as a result of their being charged with fraud following investigation by the council and referral to the police. The councillor was also removed from appointments made by their party group.

In Nuneaton, a political group leader wrote to the leader of a national political party in July 2018, to seek party discipline for councillors of that party for alleged abuse during a council meeting.

While party discipline can therefore have a positive role to play within local government, it also has drawbacks. Party discipline cannot apply to councillors who are not a

member of a political group. This means that party discipline cannot be used in relation to independent councillors, including those who might previously have been expelled from a party group. Political groups seldom exist in parishes, and so cannot address misconduct at parish level.

Party discipline may mean that political factors are taken into account over the public interest. When an authority is dominated by a single party or there is a very slim majority held by a party, that party may have an interest in downplaying or minimising standards breaches, rather than addressing them. It may also inhibit scrutiny and openness more generally where this may cause embarrassment to the party group.

Party discipline processes can run concurrently with, and in some cases preempt, the outcome of a formal standards investigation. We saw evidence that political parties have taken steps to enable swift discipline by group leaders or whips at a local level in serious cases. But this will tend to lack transparency, without formal announcements of measures taken or open investigative processes, particularly when political parties are under pressure to respond quickly.

There used to be a fairly clunky process of bringing a report to the group for the group to take action. We've revised that to take account of the way that news can spread so rapidly, and given group leaders the power to make a decision there and then for a time limited period along with the whip.⁷⁶

**Cllr Rory Love, Chairman,
Conservative Councillors' Association**

76 Cllr Rory Love, Individual oral evidence, Wednesday 27 June 2018



We also sought evidence during our review on the role of national political parties. Whilst national political parties will often have their own code of conduct, their involvement in allegations of misconduct will tend to be on a case-by-case basis, with less of a formal system for escalating and managing complaints. Party representatives we spoke to said that, understandably, the national party would involve itself only in serious cases or where it had an interest for particular reasons. Inevitably, the involvement of a national party is more likely when reputational issues are at stake, for example, during the selection of candidates at election time.

During the recent elections, we had no hesitation in suspending candidates from the Conservative whip even before the election day as a message to say “if you have the privilege of representing our party, there are standards we expect of you”.⁷⁷

**Cllr Rory Love, Chairman,
Conservative Councillors’ Association**

There is a particular focus [on standards] just before the point of election, which I think will remain the case. That’s when the party has the most influence, that’s when those conversations take place.⁷⁸

**Cllr Simon Henig CBE, Chair,
Association of Labour Councillors**

We have therefore concluded that political parties cannot play the central role in sanctions and upholding standards within an authority. Political group discipline is, essentially, an internal matter. This means it will never have the levels of transparency, consistency and

the relevant checks on impartiality that should characterise a fair and effective standards process. Whilst we have come across examples of positive joint working across political groups, and very effective relationships between officers and political groups, the party disciplinary process is still subject to political imperatives, even in authorities with otherwise very effective standards arrangements. In addition, political groups rarely operate at parish council level, and so party discipline cannot effectively address misconduct at parish level.

If, as our evidence suggests, the current high levels of involvement of parties in the standards process is due to a lack of formal sanctions, the reintroduction of a power of suspension may lead to a diminished role for political parties. Even if this were the case, political parties would still have an important role to play, which we consider further in chapter 8.

The sanction of the ‘ballot box’

We have considered the case that, beyond censure or training, the most appropriate sanction for councillors is the ‘ballot box’, namely, the possibility that they could be voted out at a local election as a result of misconduct. We conclude that the ‘sanction of the ballot box’ is insufficient, both in principle and in practice.

Relying upon the electorate to address poor member conduct at the ballot box is insufficient. The current regime needs to specifically include greater powers for local authorities to robustly address poor member conduct.⁷⁹

**Sandwell Metropolitan Borough
Council**

77 Cllr Rory Love, Individual oral evidence, Wednesday 27 June 2018

78 Cllr Simon Henig CBE, Individual oral evidence, Wednesday 18 July 2018

79 Written evidence 239 (Sandwell Metropolitan Borough Council)



In cases where really serious misconduct happens, and the perpetrator is not discouraged by adverse publicity, there is a significant gap between how the current system can deal with such cases and any criminal sanction, criminal sanctions always being a final resort. The argument that the ultimate arbiter of behaviour is the public at the ballot box does not fully answer this issue.⁸⁰

Wycombe District Council

It is of course accepted that the democratic election of councillors must be respected. Following this, some would argue that (barring disqualification set out in law) only the public who conferred that mandate through an election can take it away by means of another election. It is argued that this is appropriate because only the public can be the proper judge of the suitability of a councillor to represent them which they only have the proper authority to do in an election or re-election.

Whilst the public will of course judge standards in public life at election time to some extent, the process of choosing a representative is based on wider political issues. As the Committee stated in 2013, “[...] decisions about who to vote for are made on the basis of a number of considerations. It would be undesirable for the electorate to have to set aside the opportunity to express their wider political views at election time simply to express a view on a standards issue.”⁸¹ Indeed, voting in elections is often drawn on party lines rather than the overall suitability of an individual candidate.

Public expectations of elected representatives continue to increase not diminish. High ethical standards should be demonstrably observed in practice throughout a term in office. Much harm can be done to individual wellbeing, the democratic process, and council business if misconduct goes unchecked for up to four years.

Public participation ends at the ballot box. There must be more to ensure local governance commits to fulfil the expectations of their electorate where possible [...].⁸²

Cllr David Gaye

It is also the case that a large number of seats in parish and town councils, and occasionally at principal authority level in more sparsely populated areas, are uncontested. In such circumstances the public are not choosing to exercise their judgment, and as a result there is no opportunity for electoral accountability to influence ethical standards.

The argument that the ballot box will decide is a moot point when over 50% of the town and parish councils in Cornwall do not have elections and these local councillors are returned unopposed.⁸³

Cornwall Council

Democratic representation carries both privileges and responsibilities. The significance of that mandate, and the rights and powers that it gives to councillors, also means that a councillor is rightfully subject to the Seven Principles of Public Life and the obligations

80 Written evidence 186 (Wycombe District Council)

81 Committee on Standards in Public Life, *Standards Matter* (2013), Cm 8519, 4.18

82 Written evidence 302 (Cllr David Gaye)

83 Written evidence 147 (Cornwall Council)



under the council's code of conduct. Councillors' conduct should reflect the importance of their elected role and their need to act in the public interest. A standards regime that prevents a councillor from carrying out their role for a period, for example by suspension, does not undermine a councillor's electoral mandate. Rather it underlines the significance of the role and the expectations of high ethical standards that come with elected office.

Sanctions in the devolved standards bodies

The sanctions available to the devolved standards bodies in Wales, Scotland and Northern Ireland, which were also available to the Adjudication Panel in England before its abolition, are suspension for up to one year and disqualification for up to five years.

The devolved standards bodies have used the most serious sanctions available to them sparingly. In 2017/18, the Standards Commission for Scotland has only once suspended a councillor for more than six months (although a number of cases involved a councillor who stood down, where the Commission indicated it would have imposed suspension if it were available).⁸⁴

In 2016/17, the Northern Ireland Local Government Commissioner for Standards disqualified one councillor for three years, and suspended one councillor for three months.⁸⁵

In 2016/17, the Adjudication Panel for Wales suspended four councillors, all for fewer than six months.⁸⁶ However, it should be noted that almost 20% of references and appeals to the Adjudication Panel since 2012 have resulted in disqualification.

Stronger sanctions

We have concluded that stronger sanctions should be made available to local authorities.

We have not seen compelling evidence for introducing a power of disqualification. We consider that there is very strong reason to introduce a power of suspension, but this should only be for a period of up to six months. The evidence we received suggested that the suspension of allowances would form an important aspect of this sanction.

We would expect that such a power would be used rarely. Suspension should be used only in the case of the most serious breaches, such as serious cases of bullying and harassment, or significant breaches of the rules on declaring financial interests; or else in the case of repeated breaches or repeated non-compliance with lower level sanctions.

The sanctions that could be made available to local authorities depend upon the investigative processes and safeguards available to meet the requirements of due process. The more significant the sanction, the more important it is that the process ensures impartial application of sanctions. The evidence we have received suggests that the power to disqualify or suspend a councillor without allowances for longer than six months would likely require a formal independent tribunal arrangement in order to comply with a councillor's ECHR Article 6 right to a fair trial. We do not consider that such arrangements could be put in place without the introduction of a central standards body, which we reject for the reasons discussed in chapter 1.

84 Written evidence 106 (Standards Commission for Scotland)

85 Northern Ireland Local Government Commissioner for Standards (2017), *Annual Report 2016-17*. Available online at: <https://nipso.org.uk/site/wp-content/uploads/2017/12/NILGCS-Report-2016-17.pdf>

86 Adjudication Panel for Wales Register of Tribunals. Available online at: <http://apw.gov.wales/about/register-of-tribunals/?lang=en>



Recommendation 16: Local authorities should be given the power to suspend councillors, without allowances, for up to six months.

Legislation giving effect to this should ensure that non-attendance at council meetings during a period of suspension should be disregarded for the purposes of section 85 of the Local Government Act 1972, which provides that a councillor ceases to be a member of the local authority if they fail to attend council meetings for six consecutive months.

Giving legal certainty to councils

At the moment, councils who impose sanctions at the most serious end of the current range – premises bans and withdrawal of facilities – are doing so without a clear basis in statute or case law. The relevant case law on sanctions has expressly identified training, censure, or publicising the breach as within a council's power, but does not limit the available sanctions to only these. We have heard expert views on both sides of the argument as to whether measures such as premises bans are likely to be *ultra vires* or could be considered as tantamount to suspension; councils are therefore accepting a certain measure of legal risk in using these sanctions. The government should make clear what local authorities' powers are in this area, and put them beyond doubt in legislation if necessary.

As we have seen, sanctions serve a number of purposes in a standards framework, one of which is the prevention of further wrongdoing. Sanctions such as premises bans and withdrawal of facilities may be useful for this purpose, as part of a range of available sanctions.

Recommendation 17: The government should clarify if councils may lawfully bar councillors from council premises or withdraw facilities as sanctions. These powers should be put beyond doubt in legislation if necessary.

Criminal offences in the Localism Act 2011

The provisions in the Localism Act make it a criminal offence for a councillor to fail to comply with their duties to register or declare Disclosable Pecuniary Interests (DPI), participate in a discussion or vote in a matter in which they have a DPI, or take any further steps in relation to such a matter. The maximum penalty is a level 5 fine and disqualification as a councillor for up to five years. It is important to acknowledge the seriousness of such a matter and to continue to support the need for serious sanctions for non-compliance in these circumstances. However, the evidence we have received suggests overwhelmingly that resorting to the criminal law is not the most appropriate way to handle such misdemeanours.

The making of certain breaches a criminal offence does not seem to have worked as such matters have to be referred to the police who, from my experience, are not geared up to the local government world and do not (understandably) see such matters as a high priority to them...matters can take a long time and often end up being handed back to the council to deal with in any case.⁸⁷

Taunton Deane Borough Council

87 Written evidence 131 (Taunton Deane Borough Council)



The current arrangements are disproportionate. Failure to register or manage interests is a breach of the Seven Principles and damaging to the public interest, but it would usually be remedied by the application of internal sanctions. To potentially criminalise a public office-holder for what is essentially a code of conduct matter is inappropriate. It sets a high bar for the standard of proof and is a costly process for the public purse. It is also, inevitably, a long process which can be disproportionately stressful. We have heard evidence which suggests that the police are wary of the potential for politically motivated allegations and the highly sensitive nature of investigations to which they may not be able to allocate sufficient resources when budgets are constrained. We also heard of a number of instances where the police have not pursued cases referred to them.

Recommendation 18: The criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished.

Disqualification of councillors

The criteria for disqualification of councillors are currently relatively limited. In the case of a councillor being convicted of a criminal offence, they would only be disqualified if they are imprisoned for three months or more.

Current law on the disqualification of councillors

Under section 80 of the Local Government Act 1972, a person is disqualified from standing as a candidate or being a member of a local authority, if they:

- are subject to bankruptcy orders
- are imprisoned for three months or more on conviction of a criminal offence (without the option of a fine)
- are found personally guilty of corrupt or illegal practice in an election

They are also disqualified if they:

- are employed by the local authority
- are employed by a company which is under the control of the local authority
- are employed under the direction of various local authority committees, boards or the Greater London Authority
- are a teacher in a school maintained by the local authority

The Ministry for Housing, Communities and Local Government have committed to bringing forward legislation to add to the existing criteria for disqualification, following a public consultation in September 2017. The additional conditions will include being listed on the sex offenders register, receiving a Criminal Behaviour Order under section 22 of the Anti-social Behaviour, Crime and Policing Act 2014, and receiving a civil injunction under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014. We support these changes, which will better reflect the expectations of the public.



Chapter 5:

Town and parish councils

Local government is made up of a number of tiers, of which town and parish councils are the most local. Their functions vary but may include: maintaining local amenities such as parks, cemeteries, and memorials; responding to planning consultations undertaken by principal authorities; producing neighbourhood development plans; and making grants or undertaking other activities to benefit their local communities. In recent years, however, many parish councils have undertaken a broader range of roles that traditionally were performed by principal authorities, such as economic regeneration and transport services.⁸⁸

While the vast majority of people who serve on town and parish councils do so for the benefit of their community and in doing so observe the Seven Principles of Public Life, the Committee received evidence suggesting that poor behaviour and serious misconduct by some councillors is creating significant disruption in those communities. The evidence also suggests that this misconduct can create an increased workload for the relevant principal authority.

Our predecessor Committees have excluded town and parish councils from their reviews into local government standards; we have chosen to focus on them because the number and nature of concerns shared with the Committee by those who work in and with parish councils was sufficient for us to question whether the present arrangements provide for good governance and meet the needs of the public.

Autonomy and accountability of parish and town councils

The oversight regime for parish councils is light-touch, in view of their comparatively lower budgets and limited remit compared to principal authorities.

There is, however, significant variation in the budgets of town and parish councils. A number of small parish councils have budgets of less than £25,000; but some may have budgets exceeding £1 million.

Parish councils with a precept of less than £25,000 are exempted from the need to have an annual assurance review or to appoint an external auditor to prepare their accounts. They are, however, required to comply with the government's Transparency Code for exempt authorities, and must appoint an auditor if an elector has an objection to the accounts.

Parish councils, unlike principal authorities, do not fall within the remit of the Local Government Ombudsman no matter their size or budget, so they are not subject to investigations or rulings on grounds of maladministration. This means that the stakes in some councils at this level are very high where there are either serious or persistent standards issues. Our view is that the current system does not take this potential risk into account.

Under the Localism Act 2011, much of the responsibility for standards in town and parish councils belongs to their principal

⁸⁸ Local Government Chronicle (2016), *Power to the people*. Available online at: <https://www.nalc.gov.uk/library/news-stories/2437-lgc-supplement-2016/file>



authority. We have seen a variety of models for how parishes relate to a principal authority in relation to standards. In many cases, the Monitoring Officer is the main point of communication, and communicates mainly with the clerk. Some councils maintain joint standards committees, with town and parish councillors sitting alongside councillors from the principal authority to discuss issues from both the principal authority and the parish councils, though parish council representatives cannot vote if the committee is a decision-making committee of the principal authority. We have also seen an important role played by county associations of local councils, who can maintain links with the principal authority through the senior officers and in some cases provide mediation and support on standards issues at the parish level.

One of the things we do in the CALC is provide an advisory service and someone to investigate what's gone on and someone to go along to listen to grievances.⁸⁹

Cornwall Association of Local Councils

When it comes to the day-to-day relationship with principal authorities, some parishes will see the principal authority as a point of support or advice on standards issues; some are heavily dependent on the principal authority to provide legal advice and to deal with governance or behavioural problems; but some have an antagonistic relationship with the principal authority and do not respect its formal remit in respect of ethical standards. As with the standards process within a council, the role of the Monitoring Officer is crucial in maintaining a positive and effective relationship with dependent parishes. We have also seen

the benefits of a strong relationship between senior officers (particularly the Monitoring Officer) and the county association of local councils.

We recognise the need to balance the autonomy of parish councils with accountability. The oversight of parish councils must be proportionate in relation to their comparatively limited budget and remit. Our view is that for the majority of parish councils, the current balance works well, although to address the standards issues which in a minority of councils have undermined good governance, we recommend changes below in the formal relationship between parish councils and principal authorities in relation to standards.

How effectively parish councils use their autonomy over their own governance is highly dependent on the skills, experience and support of the parish clerk. Clerks are sometimes the only employees of the council and also the repository of significant amounts of information, advice and guidance for councillors in undertaking parish business. Where the relationship between the councillors and their clerk is positive there is little need for additional accountability or support in the system.

However, we received evidence of substantial difficulties experienced where clerks are either inexperienced, untrained or feel isolated, particularly if they are the subject of poor behaviour on the part of councillors. Ongoing education and training of clerks would provide: confidence to some clerks on the scope and limits of their role; a network of peers who can provide advice and support when new situations arise that are challenging for a single clerk working alone; and a level of consistency and accountability to councillors, auditors

89 Sarah Mason, County Executive Officer, Cornwall Association of Local Councils, Visit to Cornwall Council, Monday 24 September 2018



and the public about the services a clerk can be expected to provide. There is, therefore, a significant need for clerks to be formally qualified (for example, through qualifications run by the Society for Local Council Clerks). Such qualifications need not be costly for parish councils.⁹⁰

Recommendation 19: Parish council clerks should hold an appropriate qualification, such as those provided by the Society of Local Council Clerks.

Misconduct in parish councils

Analysis of survey responses from over 800 parish clerks, undertaken by Hoey Ainscough Associates on behalf of the Society of Local Council Clerks, suggests that 15% of parish councils experience serious behavioural issues such as bullying and disrespect towards other councillors or the clerk, and 5% of parish councils experience these issues to an extent that they are unable to carry out some or all of their proper functions.

We regularly come across cases of serious bullying and disrespect towards officers and fellow councillors, threatening and intimidating behaviour towards staff, obsessive behaviour and deliberate flouting of the need to declare interests. While such behaviour is very much in the minority it can seriously damage the reputation of an authority, as well as causing huge amounts of stress and effectively gumming up the workings of a council. This is particularly true at parish council level.⁹¹

Hoey Ainscough Associates

We heard of a number of individual cases of serious bullying or other unacceptable behaviour, particularly directed towards local council clerks, leading to high turnover of staff.

The impact often includes serious ill health, loss of employment, loss of confidence and a long-term detriment to their personal and professional lives. The parish sector experiences a high turnover of staff each year. In some areas of the country this can be up to 20-30% of clerks and a large element of this can be attributed to the underlying behaviour issues. We are aware of cases where the issues are long standing and repeated year on year, with multiple cycles of behavioural issues, loss of personnel and recruitment taking place.⁹²

Society of Local Council Clerks

The evidence we received suggests that reintroducing a power of suspension for local authorities, which would be applicable to parish councillors, may address some of these problems. Although many parish councillors are not paid, a suspension of six months would nevertheless remove them from decisions and communications for all meetings during that period. It would also send a strong message to the individual member and the community. We discuss sanctions in more detail in chapter 4.

The evidence we received also suggested that difficulties persist in resolving standards matters where clerks are not well supported by the parish council to formally make and resolve complaints, or to prevent behaviour from recurring. Parish councils should take corporate responsibility when allegations of a councillor

90 The basic level qualification offered by the Society of Local Council Clerks costs less than £120, and SLCC offer bursaries for clerks who work for parish councils with a very low precept

91 Written evidence 212 (Hoey Ainscough Associates)

92 Written evidence 197 (Society of Local Council Clerks)



bullying an employee are received. For example, where behaviour that is in breach of a code is observed by councillors or reported by a clerk, the parish council should lodge a formal standards complaint corporately or in the name of the chair. A clerk should not have to do so themselves. In addition to providing necessary support to the clerk in such circumstances, such measures signify to individual councillors that disruptive behaviour is not ignored or accepted by the council generally.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council as a whole, rather than the clerk in all but exceptional circumstances.

Of the monitoring officers who responded to the SLCC 11% were unable to commit resources to supporting parish councils with behaviour issues with a further 49% only becoming involved when there is a complaint.⁹³

Society of Local Council Clerks

We have heard that dealing with standards issues in parish councils can be onerous for Monitoring Officers in principal authorities. Monitoring Officers reported to us that they could spend a high proportion of their working time on standards issues in parish councils, and that many of the cases that they had to deal with related to long-standing disputes or tensions, and so are not quickly resolved. We have heard a small number of concerning reports that Monitoring Officers have decided to decline to provide advice or accept

complaints received about or from parish councils about standards issues at the parish tier, citing insufficient resources and support for their work with parishes. Giving principal authorities the ability to deal more effectively with misconduct within parish councils should address to an extent the underlying problem of recurring standards issues, which we discuss below. Beyond this, Monitoring Officers need to be given the resources within their principal authority to allow them to carry out their duties in respect of parish councils as well as their own authority, and to be supported by senior management in doing so.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Investigations and sanctions in town and parish councils

Under the Localism Act, a parish council may comply with the duty to adopt a code of conduct by adopting the code of its principal authority, or by adopting its own code.

The evidence we have received is that the variation in parish codes within a principal authority area is an additional burden on that principal authority when advising, investigating and adjudicating on code breaches.

For example, Cornwall Council is a unitary authority that oversees 213 parish councils, all of which, in theory, could have their own

93 Written evidence 197 (Society of Local Council Clerks)



individual code of conduct, on which Cornwall Council could be required to adjudicate. Through working with the Cornwall Association of Local Councils, Cornwall Council agreed a single code with all the parish councils.⁹⁴

Without the support of CALC in Cornwall, we could have ended up with 214 different codes across the county, and this would have created problems with training, which is delivered by Cornwall Council, and interpreting the code which falls to Cornwall Council to administer.⁹⁵

Cornwall Council

Only a principal authority has the power to undertake a formal investigation and decision on an alleged breach of a parish council's code under section 28(6) of the Localism Act.

We have concluded that it is anomalous that parish councils have the autonomy to adopt a code of conduct of their choosing, but do not have the authority to investigate and enforce that code.

We do not consider that parishes should be given the power to undertake a formal investigation on a breach of the code of conduct. Our evidence suggests that parish councils do not wish to take on this responsibility, and that they do not have the resources and structures necessarily to do so on a fair and impartial basis.

There is a need to balance the autonomy of parishes, with a recognition that ultimately the principal authority must be responsible for investigating breaches. We acknowledge the benefits of a councils being able to amend

their own code, which we discuss in chapter 2. Given this burden on principal authorities, however, and the confusion that often arises in the case of dual-hatted councillors, we consider on balance that the costs of giving parish councils the option to adopt their own code of conduct outweigh the benefits.

Recommendation 20: Section 27(3) of the Localism Act 2011 should be amended to state that parish councils must adopt the code of conduct of their principal authority, with the necessary amendments, or the new model code.

Following *Taylor v Honiton Town Council*,⁹⁶ a parish council cannot substitute its own decision on an allegation for that of the principal authority. If it imposes a sanction on the councillor, it may only impose the sanction recommended by the principal authority. Whilst Taylor did not address the question directly, the evidence we have received from practitioners is that a parish council is not bound to implement a sanction even if that is recommended by the principal authority.

The Wychavon Committee feels that only having the power to make recommendations to parish councils regarding breaches of the code of conduct often leaves complainants feeling that there is little merit in bringing forward any complaint, especially when coupled with the current regime's stipulation that investigations cannot be pursued if a councillor leaves office.⁹⁷

Wychavon Borough Council

94 Written evidence 206 (Cornwall Association of Local Councils)

95 Written evidence 147 (Cornwall Council)

96 *Taylor v Honiton Town Council and East Devon District Council* [2016] EWHC 3307 (Admin)

97 Written evidence 78 (Wychavon Borough Council)



Accordingly, parish councils may disregard the sanction recommended by a principal authority. This may sometimes be due to an antagonistic relationship with the principal authority, or pressure from particular parish councillors not to implement the recommendation. This already prevents the effective holding to account of some parish councillors for misconduct. If, as we recommend, local authorities were given a power of suspension, under the current law a parish council could effectively ignore a decision to suspend one of its members. We therefore consider that any sanction imposed on a parish councillor following the finding of a breach should be determined by the parish's principal authority, which will require a change to section 28 of the Localism Act 2011.

Recommendation 21: Section 28(11) of the Localism Act 2011 should be amended to state that any sanction imposed on a parish councillor following the finding of a breach is to be determined by the relevant principal authority.

We have heard concerns that the judgement in *R (Harvey) v Ledbury Town Council*,⁹⁸ which was delivered during our review, prevents parish councils from taking action in the case of bullying. The principle that sanctions could not be applied to councillors outside of the formal investigation and decision process, involving an Independent Person, by a principal authority, is a straightforward application of the earlier judgment in *Taylor v Honiton Town Council*.⁹⁹ The evidence we have received is that this principle is the right approach: a parish council would not typically have the

resources to undertake a formal standards investigation; and sanctions should only be imposed following a fair and impartial process, as we discuss in chapter 3.

However, this does not suggest that there is no action that parish councils may take if an employee is being bullied. The evidence we have received from practitioners is that earlier case law has established that a parish council as a corporate body is vicariously liable for actions by an individual councillor which would involve an implied breach of their contractual obligations as an employer, including an implied obligation to provide a reasonable congenial working environment.¹⁰⁰ We understand that councils may therefore legally take proportionate, protective steps to safeguard employees if they are experiencing bullying or other unacceptable behaviour, for example, requiring that a particular councillor does not contact directly that named member of staff. However, for sanctions to be imposed, which are by nature punitive, then a formal complaint must be made, with an investigation undertaken by the principal authority.

98 *R (Harvey) v Ledbury Town Council* [2018] EWHC 1151 (Admin)

99 *Taylor v Honiton Town Council and East Devon District Council* [2016] EWHC 3307 (Admin)

100 See *Moore v Bude-Stratton Town Council* [2000] EAT 313_99_2703, which was affirmed in *Heesom v Public Service Ombudsman for Wales* [2014] EWHC 1504 (Admin), 82



Chapter 6: Supporting officers

Role of the Monitoring Officer

The Monitoring Officer is one of the three statutory officers in local government, alongside the Head of Paid Service (Chief Executive or Chief Officer) and the Chief Finance Officer (often referred to as the Section 151 Officer).

The three statutory officers need to work together. They are not separate. I have always had a practice of ensuring I held regular statutory officer meetings where we specifically talked about those things where one of us might want to intervene.¹⁰¹

Max Caller CBE

The post of Monitoring Officer is set out in statute in section 5 of the Local Government and Housing Act 1989. The original statutory role was to report to the council on any proposal, decision or omission by the council which is likely to give rise to a contravention of law or to maladministration. Given the legal aspect of the role, the Monitoring Officer is often the head of legal services in an authority. More recently, the role is often (but not always) combined with oversight of democratic services (the team of officers who prepare and co-ordinate agendas and papers for committee and council meetings).

The Local Government Act 2000 provided for a greater role for the Monitoring Officer on ethical standards.¹⁰² Guidance issued by the

then-Department for Environment, Transport and the Regions summed up its approach, following the passage of the Local Government Act 2000:

The monitoring officer will have a key role in promoting and maintaining high standards of conduct within a local authority, in particular through provision of support to the local authority's standards committee.¹⁰³

The Monitoring Officer (or their deputy) remains the lynchpin of the arrangements for upholding ethical standards in an authority.

We are aware of a perception that the role of the Monitoring Officer is becoming more difficult.

A survey of 111 Monitoring Officers, carried out by Local Government Lawyer, identified that the increasing complexity of local government decision-making, especially commercial decision-making and outsourcing, was a particular challenge in the role, especially where there is an imperative to drive forward projects and decisions. 38% of those surveyed said that the role had become more risky in 'a significant way', and 48% said that it was moderately riskier than in the past.¹⁰⁴

101 Max Caller CBE, Individual oral evidence, Thursday 20 September 2018

102 For example, in sections 59, 60, 66 of the Local Government Act 2000

103 Department for the Environment, Transport and the Regions (2000), *New council constitutions: guidance to English Authorities* (reissued by DCLG, 2006). Available online at:

<http://webarchive.nationalarchives.gov.uk/20120920053721/http://www.communities.gov.uk/documents/localgovernment/pdf/155181.pdf>

104 Local Government Lawyer (2018), *Monitoring Officers Report*. Available online at:

<http://www.localgovernmentlawyer.co.uk/monitoringofficers/?page=1>



The Monitoring Officer role is particularly varied and includes quite disparate aspects. A Monitoring Officer who also oversees a department of the council will have a role in senior management, and will be responsible for large teams. They will offer formal legal advice; but they will also act as a mediator and adviser in relation to standards issues. Some of the most significant difficulties for Monitoring Officers include the inherent potential for conflict when simultaneously:

- acting as a source of advice and guidance for members and officers (and parish councils for which they are the Monitoring Officer)
- assessing complaints in the first instance after it is received by a council
- obtaining and weighing advice from Independent Persons
- overseeing and managing investigations to determine whether serious breaches of the code of conduct have occurred, either personally or by seeking outside expertise and handling the consequential report and conveying it to members

The role involves a broad set of skills, and is broader than a chief legal adviser role. It is through the appropriate application of these skills and knowledge (including by developing a network of peers with whom Monitoring Officers can seek reassurance and check the consistency and fairness of their approach), that we have seen these competing pressures can be dealt with effectively.

The role of the Monitoring Officer in relation to ethical standards is no different to that in relation to their other statutory responsibilities. Dealing with complaints in relation to Members should not expose the Monitoring Officer to any greater risk of conflict. However, many have arrangements in place so that they do not advise the Standards Committee in relation to a complaint where they have been the investigating officer, etc.¹⁰⁵

Lawyers in Local Government

More nuanced but even far more serious complications can arise where the Monitoring Officer is overseeing an investigation into a senior member of the local authority, particularly a portfolio-holder. There is a potential conflict of interest, given the professional relationship between the Monitoring Officer and Cabinet members, in providing procedural and legal advice to enable them to pursue their objectives. In this case, the Monitoring Officer should be robustly supported and protected by the Chief Executive. Any investigation, even if outsourced to an independent investigator, should be overseen and managed ideally by the Monitoring Officer from a different authority, or failing that by a deputy, with the Monitoring Officer kept at arm's-length.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

¹⁰⁵ Written evidence 228 (Lawyers in Local Government)



Whilst the location of the Monitoring Officer in the organisational hierarchy may vary, depending on the nature and functions of the individual authority, we have heard that effective governance relies on a strong working relationship between the three statutory officers (Chief Executive, Section 151 Officer, and Monitoring Officer). In particular, a Monitoring Officer needs to be able raise issues of concern to the Chief Executive, and be able to rely on the support of the Chief Executive in making difficult decisions, to know that they will not be undermined. We have seen that the confidence and support of the Chief Executive is crucial to ensuring the Monitoring Officer has the ability to uphold standards in a council, and can engage authoritatively with individual members.

We accept that the role of the Monitoring Officer is a difficult one to navigate, given the tensions that may be involved in advising on and addressing misconduct, alongside offering legal advice to achieve the council and administration's corporate objectives. We have concluded, however, that it is not unique in these tensions. The role can be made coherent and manageable, with the support of other statutory officers.

Standing of statutory officers

Under the current disciplinary arrangements for statutory officers, any decision to dismiss a statutory officer must be taken by full council, following a hearing by a panel that must include at least two Independent Persons.¹⁰⁶ The previous protections applied in respect of any disciplinary action taken against a statutory officer, not just dismissal, and required the action to be recommended by a Designated Independent Person.

A few respondents to the consultation referenced the political pressure that Monitoring Officers come under to achieve particular outcomes and that this can place them in a conflicted as well as vulnerable position. The statutory protections for Monitoring Officers should be re-visited. LLG strongly supports this assertion.¹⁰⁷

Lawyers in Local Government

We have received a range of evidence on the implications of the changed environment for senior officers. We have heard of cases where Monitoring Officers have been put under undue pressure or forced to resign because of unwelcome advice or decisions, and heard that a diminished standing of senior officers has hampered their ability to give objective advice especially when this may not be welcome. On the other hand, we have heard that the current environment ensures that authorities are genuinely led by elected members, and that officers do not have too dominant a role in a local authority, which confuses the lines of accountability.

On balance, we consider that the disciplinary protections for statutory officers should be enhanced, by extending those protections to all disciplinary actions (such as suspension or formal warnings), not just dismissal.

Recommendation 22: The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 should be amended to provide that disciplinary protections for statutory officers extend to all disciplinary action, not just dismissal.

¹⁰⁶ Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 (SI 2015/881)

¹⁰⁷ Written evidence 228 (Lawyers in Local Government)



Training of officers

We also heard during the review of the danger of councillors or officers perceiving necessary processes and procedures in local government as arbitrary or bureaucratic. When councillors do not appreciate the rationale for the decision-making processes – that exist in order to ensure objectivity, integrity, openness, and accountability – that can lead to undue pressure on officers to ‘bend the rules’, and implement the wishes of the administration regardless of the proper processes.

Sometimes there is a denigration in the culture of an authority because the authority has been hollowed out. In that instance, there is no longer the core of individuals who know the rationale for the rules, rather than just the rules themselves.¹⁰⁸

Max Caller CBE

When officers do not appreciate the rationale for the governance processes, then they can be treated as a ‘rubber stamp’, circumvented, or simply not fully utilised, leading to a compromise in the quality of decision-making.

There is a need to remind people of why the systems of governance are there: why, for example, reports are taken in public.¹⁰⁹

Dame Stella Manzie DBE

Local authorities’ training on governance and process should therefore include an explanation of the rationale for the processes in place, and link specific procedures to their wider aim of ensuring ethical decision-making. Training and support in the governance and

corporate aspects of the statutory officer roles is particularly important, since we heard that there is not necessarily a standard training offer for the statutory aspects of senior officer roles. We discuss councillor induction training in greater detail in chapter 8.

Whistleblowing

The written evidence we received suggests that local authorities will generally have a whistleblowing policy in place.

Since the abolition of the Audit Commission, local government audit is undertaken externally by private companies. External auditors are listed as ‘prescribed persons’, those to whom certain disclosures in the public interest can be made that will attract employment protections under the Public Interest Disclosure Act 1998.

However, the evidence we received suggested that local authorities will not tend to specify a named contact or provide contact information within the external auditor. This would have the effect of deterring whistleblowers from contacting the auditor, or make it difficult to report a concern.

The perceived lack of independence of the current external regime for auditing local government, coupled with the absence of comprehensive information for the public, councillors, and officials as to who to contact in a private audit firm could deter individuals coming forward.¹¹⁰

Protect

108 Max Caller CBE, Individual oral evidence, Thursday 20 September 2018

109 Dame Stella Manzie DBE, Individual oral evidence, Monday 20 August 2018

110 Written evidence 305 (Protect)



Recommendation 23: The Local Government Transparency Code should be updated to provide that local authorities must ensure that their whistleblowing policy specifies a named contact for the external auditor alongside their contact details, which should be available on the authority's website.

We therefore see benefits to councillors being listed as 'prescribed persons' for the purposes of the Public Interest Disclosure Act 1998, to make it easier for individuals to make protected disclosures to a councillor.

Recommendation 24: Councillors should be listed as 'prescribed persons' for the purposes of the Public Interest Disclosure Act 1998.

Under the current whistleblowing law in the UK, councillors are not listed as a 'prescribed person', which means that the disclosure of information to them in the public interest must meet a higher standard in order to attract employment protections.

Whilst it is accepted that reporting concerns to councillors is not appropriate in all circumstances, there have from our experience been scenarios where concerns have not been dealt with at an internal level, and due to nuances of the individual situation, the most effective way of bringing about scrutiny of the concerns may be to inform elected local government councillors.¹¹¹

Protect

Under the current legislation, ordinary disclosure within a line management chain has a lower bar for attracting employment protection. Generally, an employee would therefore make a disclosure to their manager (for example), before making a 'wider disclosure'. However, we accept that there will be instances where a local government officer may feel able only to make a disclosure to a councillor, rather than another officer.

111 Written evidence 305 (Protect)



Chapter 7:

Councils' corporate arrangements

A more complex environment

A number of recent changes have created a more complex environment for local government which can impact on ethical standards.

Local Economic Partnerships (LEPs), which have access to up to £12 billion of funding via the Regional Growth Fund over five years, are one feature of this new environment. LEPs are partnerships between the private and public sectors. They usually cross local government boundaries, to reflect economic patterns rather than administrative functions. LEPs tend to be limited companies, but may also be voluntary partnerships that work through a specific local authority. LEPs are chaired by an individual drawn from the private sector and tend to have a majority private sector board. Funding was awarded to individual LEPs on the basis of the submission of strategic economic plans, and tends to be spent on areas such as transport or skills.

Councils may also embark on joint ventures – for example, partnering with a development company on a high-value housing project, or with an outsourcing firm to deliver back-office services. In such cases the council usually owns 50% of the company and is represented on its board.

Joint working and collaboration can improve outcomes by pooling resources and sharing knowledge. But partnerships also introduce complexity and mixed incentives that can create ethical risks.

The local government sector has also seen a significant change in the way councils are funded. Local government funding has moved from central block grant funding, towards locally-raised funds such as council tax precepts, business rates retention and fees.

Councils have been involved in high-value procurement for many years. However, this new funding environment has resulted in changes in the way that services are delivered, for example, by increased use of outsourcing. This may not always be a council's preferred mode of delivery and councils may feel forced to pursue a particular path in spite of the challenges in maintaining scrutiny, accountability, and high ethical standards.

The NAO has found that these changes have created an environment of financial uncertainty for local councils, who may find it difficult to match its revenue streams to cost pressures in discharging their statutory obligations.¹¹² The changes have therefore altered the imperatives for revenue generation, giving incentives for increasing the value of tax base from which council tax and business rates are raised, and for undertaking other revenue-generating activities, for example, by maintaining a commercial property portfolio.

¹¹² National Audit Office (2018), *Financial sustainability of local authorities*. Available online at: <https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>



Resulting governance challenges

This complex environment – made up of partnerships, joint ventures, and other new entities – creates the potential for ethical risks. Ethical standards apply to how decisions are made, as much as to an individual's day-to-day conduct, and ethical decision-making is needed to ensure that councils act in the public interest.

In fact we often don't speak about it, all we talk about is people's conduct, whereas actually ethics comes into how decisions are made, how did you weigh this up against this, what constitutes fairness, what is the measure, what is the ethical basis for considering this or choosing this process.¹¹³

Barry Quirk CBE, Chief Executive, London Borough of Kensington and Chelsea

First, such complexity makes it difficult to identify who is accountable for particular decisions or outcomes. In turn, this can make it difficult for officers, councillors, and the public to hold local authorities and other sectoral bodies effectively to account. The *Municipal Journal*, reporting on a roundtable held jointly with the National Audit Office, quoted a participant who argued that “[...] governance has become impossible what with districts, counties, LEPs etc. What gets lost is the clarity of accountability.”¹¹⁴

Secondly, the complexity can create conflicts of interest. If a council officer or a councillor is a director of a limited company jointly-owned by the council, they will have fiduciary duties which have the potential to conflict with the interests of the council. Such conflicts may also

arise the other way around, when the council has to make decisions about a company in which it has a significant interest.

Thirdly, the growth in separate bodies – such as investment vehicles, joint ventures, and LEPs – can result in less transparency over decision-making. This is because the new bodies are not likely to be subject to the same reporting and transparency requirements and structures as the local authority itself, but are nonetheless carrying out functions crucial to the work of the authority. The need for proportionate commercial confidentiality adds a further dimension of complexity to this issue.

Responding to the new governance challenges

Setting up separate bodies

We have heard that local authorities setting up a separate body without sufficient clarity over the governance arrangements, can create a governance ‘illusion’, that because of its relative day-to-day independence the local authority is not responsible or accountable for its activities and propriety. To avoid this, attention needs to be paid to ethical governance at three key stages.

Individual members on outside bodies can be a problem; councillors' legitimacy comes from their election, and they need I think to import with them the ethical dimension that they have from being a councillor.¹¹⁵

Barry Quirk CBE, Chief Executive, London Borough of Kensington and Chelsea

113 Barry Quirk CBE, Individual oral evidence, Wednesday 19 September

114 “What next for care and health?”, *Municipal Journal*, 22 February 2018, 16

115 Barry Quirk CBE, Individual oral evidence, Wednesday 19 September 2018



First, local authorities may set up bodies with very different structures and functions, that will require different governance arrangements. However, it is important that at the earliest stage, the authority considers and makes decisions about:

- what the relationship will be between the body and the local authority
- what role the statutory officers will have in overseeing its activities and providing assurance on its governance
- how and when the body will report to full council
- what the relationship will be between the body and individual councillors
- how councillors will scrutinise the activities of the body, in particular if it will fall within the remit of the audit or scrutiny committee, and if not, how else scrutiny will happen

Secondly, additional consideration needs to be given to governance if councillors or officers are to be involved or appointed to the body, for example as observers or as board directors. Ideally, the body should be set up so that its interests are aligned with the council's policy aims, in order to minimise any potential conflicts of interest. Nevertheless, if councillors or officers are appointed to the body, they should receive briefing on their governance responsibilities, in particular their legal responsibility to discharge any fiduciary duties to the new body.

The local authority needs, in particular, to consider whether councillors' involvement on the board would constitute a conflict of interest that will need to be managed if the authority makes decisions about the body.

Councils need to put safeguards in place where they decide to involve a council representative in a decision-making position on an ALEO [arm's-length external organisation]. These include procedures for dealing with conflicts of interest, making training and advice available, and personal liability insurance to protect board members in their role.¹¹⁶

Audit Scotland, *Councils' use of arm's-length external organisations (ALEOs)*

Audit Scotland outlined the advantages and disadvantages of councillors sitting on separate bodies in their report, *Councils' use of arm's-length external organisations (ALEOs)*.

Potential advantages of council nominees as board directors or trustees

- can improve the relationship between the ALEO and the council
- can bring an insight into the council and its objectives and the broader community
- council representatives can gain valuable first-hand experience of service issues and different sectors

¹¹⁶ Audit Scotland (2018), *Councils' use of arms-length external organisations (ALEOs)*. Available online at: http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180518_councils_aleos.pdf



Potential disadvantages of council nominees as board directors or trustees

- can bring additional demands to their already diverse role
- representatives may lack the background, skills or understanding required of the role
- risk of conflict of interest between their role on the ALEO and their role on the council
- negative impact on council decision-making where councillors withdraw from committees owing to conflicts of interest
- exposure to legal risks and personal liability
- risk to continuity if councillors lose their position if not re-elected¹¹⁷

The disadvantages to councillors acting as directors or trustees for separate, council-owned or council-sponsored bodies suggests that this should not be considered a default option for local authority oversight of a separate body. Audit Scotland noted that, whilst they had not come across any cases of significant misconduct, appointing a member or officer in an observer or liaison capacity to the board of a body without a formal decision-making role could limit the potential for conflicts of interest.¹¹⁸

Council representatives can take a monitoring and liaison role as an alternative to taking a board position. This allows them to oversee and advise the ALEO without taking a decision-making role on the ALEO. Most of our sample group of councils had strengthened the role of such officers to give them greater seniority and influence. Their role involves managing the relationship between the council and the ALEO, and monitoring the performance of the ALEO and its compliance with its contracts or service agreements with the council.¹¹⁹

Audit Scotland, *Councils' use of arm's-length external organisations*

The code of conduct for councillors in Scotland includes a provision exempting councillors from the requirement to withdraw from a discussion where they have an interest, if that interest is by virtue of being appointed to a body which is 'established wholly or mainly for the purpose of providing services to the councillor's local authority' or which has 'entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority'. This exemption was put in place "[...] so that ALEOs can function with councillors as members. It also recognises that it is not practical for a councillor to always remove themselves from council discussions relating to the ALEO".¹²⁰ However, councillors may still not take part in any decision-making in relation to that body where it is in a quasi-judicial capacity, and ideally not in decisions relating to funding of that body.

117 Audit Scotland (2018), *Councils' use of arms-length external organisations (ALEOs)*. Available online at: http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180518_councils_aleos.pdf

118 Audit Scotland (2018), *Councils' use of arms-length external organisations (ALEOs)*. Available online at: http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180518_councils_aleos.pdf

119 Audit Scotland (2018), *Councils' use of arms-length external organisations (ALEOs)*. Available online at: http://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180518_councils_aleos.pdf

120 Standards Commission for Scotland (2016), *Advice for councillors on ALEOs*. Available online at: [http://www.standardscommissionscotland.org.uk/uploads/tiny_mce/160928%20Advice%20for%20Councillors%20on%20ALEOs\(FINAL\)%20.pdf](http://www.standardscommissionscotland.org.uk/uploads/tiny_mce/160928%20Advice%20for%20Councillors%20on%20ALEOs(FINAL)%20.pdf)



We accept that, in some circumstances, local authorities in England may be justified in granting a member a dispensation under section 33 of the Localism Act 2011 for decision-making regarding a separate body on which the member has a formal role. This is because the exact nature of any potential conflict will vary depending on the relationship between the authority and the body in question. Councillors should always declare their interest if they hold a position with a council-owned or council-sponsored body. However, in general, we suggest that local authorities consider councillors or officers having observer, rather than director, status on a relevant board so as to minimise potential conflicts of interest.

Thirdly, both the body and the local authority need to practice ongoing assurance, oversight, and transparency, and regularly review the governance procedures to ensure that they are still appropriate.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.

Local Enterprise Partnerships (LEPs)

Our evidence suggests that there can be a lack of transparency around Local Enterprise Partnerships (LEPs), and gaps in the processes within LEPs to manage potential conflicts of interest.

I've encountered ward members during my LEP board experience, which works well. But more support is needed for LEP panel members in terms of processes and accessibility.¹²¹

Nicola Greenan, Director, East Street Arts, and LEP board member

An internal government review of the National Assurance Framework, led by Mary Ney, a non-executive director of MHCLG, found problems with the governance arrangements for LEPs. Ney found, for example, that whilst LEPs will adopt a conflict of interest policy and maintain registers of interests, “[...] the content of policies and approach to publication varies considerably and is dependent on the overall cultural approach within the organisation”.¹²²

The report also identified a need to consider “[...] the position of public sector members on LEP boards in the context of the changing role of local authorities and their increased involvement in commercial enterprises and alternative delivery mechanisms. This is currently somewhat underdeveloped in terms of LEP governance implications”.¹²³ Ney recommended that “[...] the National Assurance Framework requires LEPs to include in their local statements how scenarios of potential conflicts of interest of local councillors, private sector and other board members will be managed whilst ensuring input from their areas of expertise in developing

¹²¹ Nicola Greenan, Visit to Leeds City Council, Tuesday 18 September 2018

¹²² Department of Communities and Local Government (2017), *Review of Local Enterprise Partnership governance and transparency*, 6.1

¹²³ Department of Communities and Local Government (2017), *Review of Local Enterprise Partnership governance and transparency*, 3.4



strategies and decision-making, without impacting on good governance".¹²⁴

We agree with Ney's conclusions and recommendations. We welcome MHCLG's commitment to implement in full the recommendations from the Ney review. We also welcome the department's commitment, in *Strengthened Local Enterprise Partnerships*, to improve scrutiny and peer review among LEPs.¹²⁵

Ethical standards and corporate failure

Our evidence suggests a strong link between failings in ethical standards and corporate failure by councils.

The most obvious way in which this can happen is through a culture of 'slackness', where low level breaches of ethical standards go unchallenged and unaddressed. This can then seep into the culture of an authority and allows for more significant wrongdoing to take place, which would have significant implications for the performance and reputation of the council.

However, in most cases the process is more complicated, and several factors are jointly present in order for serious corporate governance failings to take place. As part of our review, we examined reports from high-profile cases of corporate governance failure.

Tower Hamlets Borough Council (incidents between 2010-14, report by PWC Best Value inspection, 2014)¹²⁶

The Best Value report was commissioned by DCLG to consider four different areas where the council allegedly failed to provide 'best value': payment of grants; transfer of property; spending on publicity; and processes on entering into contracts. The report found problems within the local authority in respect of the first three strands.

The report noted a lack of transparency over reasoning for grant decisions, and an abrogation of governance and oversight by the relevant committee, who would discuss the detail of decisions rather than following and overseeing the overarching mechanisms and methodologies that the authority had put in place.

The report also concluded that there were potential conflicts of interests, as well as a lack of transparency and rigour in the reasoning of decisions to transfer property.

The inspectors found an ambiguity in the demarcation between official and political activity by officers.

The report concluded that there were inadequate governance arrangements, in particular a failure to follow declaration and conflict of interest requirements rigorously, and a failure of officers to follow through on resolutions relating to governance and oversight.

¹²⁴ Department of Communities and Local Government (2017), *Review of Local Enterprise Partnership governance and transparency*, 6.3

¹²⁵ Ministry of Housing, Communities and Local Government (2018), *Strengthened Local Enterprise Partnerships*

¹²⁶ PricewaterhouseCoopers LLP (2014), *Best value inspection of London Borough of Tower Hamlets*. Available online at: <https://www.gov.uk/government/publications/best-value-inspection-of-london-borough-of-tower-hamlets>



Doncaster Metropolitan Borough Council (incidents between 2005-09, report of the Audit Commission Corporate Governance Inspection, 2010)¹²⁷

The Audit Commission found in 2009 that Doncaster was a 'failing council'. Its governance failings at that time meant that it did not have the capacity to secure needed improvement in services. The Audit Commission identified three areas which were "[...] individually divisive and collectively fatal to good governance, each serving to compound and magnify the negative impacts of the others":

- the way the council operates to frustrate what the Mayor and Cabinet seek to do
- the lack of effective leadership shown by the Mayor and Cabinet
- the lack of leadership displayed by some chief officers, and the way they have all been unable to work effectively together to improve services

The commission concluded that councillors placed political objectives, in particular frustrating the work of the council leadership, above their public duties.

The inspection found that the scrutiny function in the council was not undertaking genuine scrutiny, but rather was acting as a parallel executive decision-making process, for example, in drawing up its own budget and policy rather than considering the proposals and decisions made by the Cabinet.

The 2009 IDeA ethical governance healthcheck found that individual councillor behaviours at Doncaster were "venomous, vicious, and vindictive".¹²⁸ The commission report likewise found evidence of bullying and intimidating behaviour, for example, "comments such as 'we have long memories' and 'we will get you' made to officers when, in the course of their professional duty, they have given advice which certain councillors are uncomfortable with or dislike".

The commission also found that officers were collectively unable to withstand pressure from some senior councillors, compromising their impartiality and leading to a loss of trust by other councillors. The report also suggested that the leadership style of the interim Chief Executive compromised the impartiality of officers; and that inexperienced leadership by the Mayor further weakened the governance of the council.

¹²⁷ Audit Commission (2010), *Doncaster Metropolitan Borough Council: Corporate Governance Inspection*. Available online at: <https://webarchive.nationalarchives.gov.uk/20121206054613/http://www.audit-commission.gov.uk/inspection-assessment/local-gov-inspection/reports/Pages/201004doncastermetropolitanboroughcouncilcorporategovernanceinspection.aspx>

¹²⁸ Cited in Audit Commission (2010), *Doncaster Metropolitan Borough Council: Corporate Governance Inspection*, para 34



Northamptonshire County Council (events taking place between 2015-17; report by Max Caller CBE, Best Value Inspector, 2018)¹²⁹

Whilst the problems faced by Northamptonshire Council were primarily financial, underlying these was a lack of scrutiny, both at an overall level and at the level of individual councillors being permitted to ask questions.

The inspection team said that they were “[...] struck by the number of councillors who told us that they had been refused information when they sought to ask questions”.

“Members told us that they had been informed that ‘you can only ask that at scrutiny meetings and not outside a meeting’ that ‘I need to get permission from the Cabinet member to discuss this with you’ or just not getting a response. Councillors told us that they felt if they asked difficult questions at Audit Committee or scrutiny meetings they would be replaced and there was some evidence to support this.”

The report also commented that “[...] there had been no attempt to review either successful or unsuccessful budget inclusions in past years to learn lessons as to why things went well or failed to be delivered”.

Based on these reports, and our broader evidence, we have identified three common threads in cases of corporate governance failings, all of which are linked to failures in upholding the Seven Principles of Public Life.

First, an unbalanced relationship between members and officers. This involves a breakdown in the structures of accountability and objectivity, which should allow officers to provide quality, impartial advice to the members who are ultimately accountable for the work of the council. When this is unbalanced, with either officers or members becoming over-dominant, or a blurring of the official and political, there is a risk that decisions are not made in the public interest.

What you see in cases of corporate failure is that the relationship between members and officers gets ‘bent’ – either with over-dominant councillors and weak officers, or indeed vice versa. A ‘member-led authority’ can become ‘member-dominant’.¹³⁰

Dame Stella Manzie DBE

Secondly, a lack of understanding and appreciation of governance processes and scrutiny. All the examples we describe above involve a lack of a proper scrutiny function, fundamental to the Nolan Principles of openness and accountability. Scrutiny, oversight, and audit processes can stagnate when there is a lack of appreciation of why they exist. Scrutiny should not be a process of rubber-stamping, but rather a probing of policy intent, assessment of financial viability, testing of assumptions, and weighing of evidence to ensure that decisions made, are made in the public interest. Local authorities should therefore not be afraid of the scrutiny function or treat it lightly, but should welcome opportunities to strengthen proposals and realise the benefits of bringing potential issues to light at an early stage.

129 Max Caller CBE (2018), *Northamptonshire County Council Best Value Inspection*. Available online at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690731/Best_Value_Inspection_NCC.pdf

130 Dame Stella Manzie DBE, Individual oral evidence, Monday 20 August 2018



If you don't maintain a culture, it doesn't happen by itself. You have to work on it, live it, you have to work on it with people who try and breach it (because they don't understand). A good ethical culture atrophies quite quickly.¹³¹

Max Caller CBE

Thirdly, a culture of fear or bullying. This was a strong theme of the cases we considered. When individuals are fearful of speaking up then poor behaviour goes unreported and can become part of an authority's culture. Similarly, when an individual is subject to bullying by another, this can result in undue pressure to act, or refrain from acting, in a way that is contrary to the public interest. A culture of fear or bullying is fundamentally a failure of leadership, whether leaders fail to tackle wrongdoing when it occurs or are themselves the ones who are doing the bullying.

Left unchecked, standards risks can be realised and become instances of corporate failure. The danger of corporate failure points to a need for councils to identify when standards and governance are at risk, and develop and maintain an ethical culture, to protect against those risks in their own authority.

¹³¹ Max Caller CBE, Individual oral evidence, Thursday 20 September 2018



Chapter 8: Leadership and culture

Leadership

Leadership is essential in embedding an ethical culture. We have considered throughout our review where, primarily, leadership comes from in local government – who sets the tone when it comes to ethics and standards. We have concluded that leadership is needed from a range of senior individuals, given the multi-faceted nature of local government and the distinctive remits of different roles.

Leadership is needed from a local authority's standards committee. Standards committees play a role not just in formally adjudicating on alleged breaches of the code of conduct, but by continuously reviewing ethical standards in the council, and drawing the authority's attention to areas where standards could be better upheld. Standards committees should see themselves as playing a leadership role in setting expectations of behaviour and continually holding the authority to account on standards issues.

The Chief Executive also plays an important role, especially among officers. Their leadership role includes modelling high standards of conduct, particularly those distinctive to officers in respect of political impartiality and objectivity. But the Chief Executive must also show leadership by empowering other senior officers – such as the Monitoring Officer – to carry out their role effectively. The Chief Executive is ultimately responsible for guarding the demarcation between officers and members, and needs to be clear about when members need to take a decision, and when officers should have the discretion to carry out their roles as they see fit.

If the Chief Executive is weak and senior officers are not backed up then they are stymied as there is nowhere else to go.¹³²

Dame Stella Manzie DBE

Leaders of political groups play a vital leadership role among councillors. Political group leaders set the tone for how new councillors will engage with each other, and set expectations for how councillors will engage with officers. Leader of political groups not only need to model high standards themselves, but should be quick to address poor behaviour when they see it. They should seek to mentor and advise councillors in their party on how to maintain standards of conduct, and be willing to use party discipline when necessary. The leader of the council plays an important role here: as the most visible group leader, they should model the highest standards of conduct and address any poor behaviour by portfolio-holders.

Where group leaders can appoint councillors to the standards committee, they should demonstrate leadership by appointing members who have the experience and commitment to fulfil that role effectively.

Last, there is a leadership role played by the chair of the council. When this post is occupied by a senior and respected member, they can play a role in setting the tone of full council meetings, and ensure that councillors – regardless of party group – are aware of the expectations for how they engage with each other and with officers. This is particularly important in order to provide support for councillors who are not members of a political group, which we discuss further below.

¹³² Dame Stella Manzie DBE, Individual oral evidence, Monday 20 August 2018



Turning around a culture

As part of our review, we took evidence from a number of experienced Chief Executives and Commissioners who have each turned around an unhealthy organisational culture in one or more local authorities.

This evidence, alongside our consideration of reports on corporate failures at specific authorities over the recent years, suggests that four measures are needed from senior leaders in order to turn around an unhealthy culture.

First, senior leadership modelling the expected behaviours and signalling from the first day how these behaviours look, sound and feel. This is particularly the case, as we have discussed above, in the early days of a new council or in the case of corporate renewal, once new senior officers or commissioners have been put in place. As well as modelling the expected behaviour, this element of installing and maintaining an ethical culture is about a present, visible and accessible leadership.

As a leader in a council in trouble I think you have to be absolutely clear what you expect, and model that behaviour every day.¹³³

**Max Caller CBE, Commissioner,
Northamptonshire County Council**

I meet every new starter and tell them “You are a fresh pair of eyes. Do call things out. You are a really valuable asset”, so you set that expectation to challenge and seek improvement really early on.¹³⁴

**Dawn French, Chief Executive,
Uttlesford District Council, Essex**

This demonstrated form of visible leadership can also straddle the member-officer divide, with meetings between new officers and council and group leaders to discuss standards being routine until the tone of the council is reset.

Secondly, an attentiveness to even small practices that do not match expected behaviour. Taking a ‘zero tolerance’ approach even to small breaches may be disproportionate when there is a healthy culture, but is necessary to embed the required behaviours when trying to reverse an unhealthy culture.

There have been standards issues in the authorities in which [I have worked], ranging from informality about the parking passes, to trying to keep information away from the opposition, to informality in granting licences, or to circumventing proper financial regulations. Even the lowest level of wrongdoing needs attention, through a private conversation, and when unaddressed can lead to more significant wrongdoing.¹³⁵

Dame Stella Manzie DBE

Thirdly, the timely, fair and accurate identification by senior leadership of opportunities for development and occasions for discipline of those who are in danger of breaching the rules. An effective leader turning around an unhealthy culture will identify the underlying motives of behaviour, to judge whether it is more appropriate privately to advise and correct an individual, or to discipline them.

133 Max Caller CBE, Individual oral evidence, Thursday 20 September 2018

134 Dawn French, Visit to Uttlesford District Council, Monday 10 September 2018

135 Dame Stella Manzie DBE, Individual oral evidence, Monday 20 August 2018



Opportunities to develop individuals to build a more effective culture may change over time, and this is even more the case for a council experiencing a period of transition.

Fourthly, whilst there is clearly a role for interim appointments in order to provide transitional leadership, interim arrangements should not be overstretched, to allow new leaders to embed long-term changes to the organisation's culture.

When you have prolonged interim officers, that has a problem for the culture in the longer term. In the interim term, they [interim appointees] can never start to work on those sorts of things.¹³⁶

**Max Caller CBE, Commissioner,
Northamptonshire County Council**

The role of political groups

Whilst political parties can form only part of the system, and are not a substitute either for effective senior officers, or for the formal standards process, they nevertheless have an important role to play in showing leadership and maintaining an ethical culture.

All the political parties need to get a lot more organised and coherent about standards in local authorities. That would still be important even if local authorities had the power to sanction councillors.¹³⁷

Dame Stella Manzie DBE

The role of party groups in maintaining an ethical culture can be conceptualised in two ways. The first is a 'parallel' model, where the activities of political groups are undertaken in parallel alongside activities of the local

authority, for example, parallel disciplinary processes, training, and so on. The second is a 'layered' model, where political groups play a distinct role that sits between direct advice from officers on the one hand and formal processes undertaken by the local authority on the other.

We see risks in local authorities adopting a 'parallel' model. In practice, parallel processes will mean either that political groups are not used and engaged with effectively, which neglects opportunities for informal training and resolution; or that the effective standards training and discipline become, in time, delegated to political groups, which lacks the necessary checks, independence, and transparency. Such a model also tends to depend heavily on individual post-holders, which means that the authority may face standards risks if there is a change either in political leadership or in those occupying senior officer posts.

Rather, local authorities should see political groups as a semi-formal institution in the 'layered' model. We heard that group whips will often see mentoring new councillors and supporting existing councillors as an important part of their role. When it comes to training, local authorities should value and utilise the informal mentoring and support within political groups that can complement the formal training offered by the local authority and advice from officers. Senior officers should regularly engage with group whips and group members to understand the training needs of members and to ensure that the right expectations are set for how councillors act in the chamber, on committees, with officers, and on outside bodies.

With respect to disciplinary processes, ideally the Monitoring Officer or deputy should

¹³⁶ Max Caller CBE, Individual oral evidence, Thursday 20 September 2018

¹³⁷ Dame Stella Manzie DBE, Individual oral evidence, Monday 20 August 2018



seek early, informal resolution of emerging issues with members. If, for whatever reason, it is considered that a direct approach is inadvisable or the issue is politically sensitive, senior officers should seek to work with group leaders and whips in order to address the issue of a member's conduct. Where there is a formal complaint, or the issue is a serious one, the formal standards processes should be followed, with the necessary checks and transparency.

There is a balance here, and it is about degrees; I know there are times when it's right to go through a formal process in the council with the greater transparency that brings. But there are also times when any sanction would fail if it went through that process. But actually the person probably has gone further than they should have done, it's up against that fine line of the Seven Principles and what they need is a stern warning. It's better sometimes to have that reflected on during 30 days' suspension from their group rather than go through a formal process that finds that there is insufficient evidence.¹³⁸

**Cllr Rory Love, Chairman,
Conservative Councillors' Association**

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

We heard evidence of the difficulties presented by new political groups, or independent members who sit outside the formal group structures. New political groups will not always enable the mentoring of new councillors, to

set expectations of behaviour, or for officers to draw on long-standing working relationships with group leaders. In the case of councillors who sit outside group structures, party discipline and the use of informal approaches to deal with potential misconduct are not possible. As a result, we heard that, generally, political groups can maintain ethical standards more effectively in an authority when they tend to be larger and better resourced. This points to a need for officers to provide greater support and ensure a full induction process for councillors who lack the support of an established political group.

Building an ethical culture

The aim of a standards system is ultimately to build an ethical culture: to embed high standards throughout an organisation, so that it becomes an integral part of how the organisation works as a whole, and how each individual person goes about their role within it. Having a system which effectively investigates complaints which is punitive where necessary is important; what is more important is a system which enables good behaviour.

An ethical culture starts with tone. A civil tone when conducting politics is the basic starting point for a healthy ethical culture. This is true both for the relationship between councillors and officers, and the relationship between different councillors. A common aim of elected members and those supporting them is to work for the benefit of the community they all serve. This provides a solid basis for an ethical culture. Of course, such civility does not mean that individual members or officers should not feel free to challenge or pursue inquiries, but concerns can be expressed in such a way as to be constructive and civil in tone.

Secondly, a local authority needs to set clear expectations of behaviour, as well as its

¹³⁸ Cllr Rory Love, Individual oral evidence, Wednesday 27 June 2018



underlying rationale, namely to enable the local authority to perform its functions in a way which is in the public interest. This behaviour needs to be modelled by senior leaders and the expectations of behaviour need to be followed through in advice from officers and group leaders, and any party discipline or sanctions process. The expected behaviour of councillors needs to be set out at an early stage in induction and training programmes.

Our evidence from local authorities suggests that induction for councillors at the earliest stage is crucial to ensuring high standards of conduct. Councils we visited that had not previously arranged training or left it until the dynamics of the groups were set after a new term, were now putting plans in place to ensure that training could occur at an earlier stage in subsequent terms. Councils who perceived they had an effective ethical culture attributed this to early and effective induction of councillors with clear messages from senior leadership about attendance.

To be successful, induction training should not be dry or compliance-focussed, but should set out the rationale for high standards in public life, and should be scenario-based so that councillors can engage with concrete examples and see the relevance of standards to different areas of activity in which they might be involved.

The evidence we received suggests that such training, even where offered, may not always be taken up by councillors. We therefore suggest that a stronger role should be played by political groups and national political parties to ensure that councillors attend relevant training on ethical standards where this is offered by their local authority.

Recommendation 25: Councillors should be required to attend formal induction training by their political groups. National parties should add such a requirement to their model group rules.

We have considered whether any particular voting pattern – electing councillors every four years, in halves, or in thirds – makes it easier to induct councillors or to preserve an ethical culture. We have concluded that each pattern has advantages and drawbacks in preserving an ethical culture, given the trade-off between regularity of turnover, and the proportion of councillors who are potentially replaced at each election. There is no ‘optimal’ pattern; what matters more is early induction by the local authority.

Thirdly, an objective, impartial Monitoring Officer, who enjoys the confidence of members and of senior officers, is essential. It is important that councillors of all parties know that they can approach the Monitoring Officer in confidence for authoritative and impartial advice.

Fourthly, an ethical culture is an open culture. A local authority should take an open approach to its decision-making, with a presumption that reports and decisions should be public unless there are clear and lawful reasons that the information should be withheld.

When scrutiny is seen as an unnecessary evil and that is what the culture is, it is difficult to know whether decisions are being made properly.¹³⁹

**Max Caller CBE, Commissioner,
Northamptonshire County Council**



We have been concerned by reports of councils relying unnecessarily on commercial confidentiality as a reason to withhold information, and of using informal working groups or pre-meetings in order to hold discussion out of the view of the public, in full cabinet or full council. As the House of Commons Communities and Local Government Committee concluded in relation to commercial information held by local authorities, “[...]we cannot see a justification for withholding such information from councillors [...] councils should be reminded that there should always be an assumption of transparency whenever possible, and that councillors scrutinising services need access to all financial and performance information held by the authority”.¹⁴⁰

High quality and engaged local journalism can help to maintain standards by bringing to light council’s decisions and councillors’ behaviour. We heard in Camden Council, for example, that maintaining an ethical culture was helped by a highly engaged civic community and strong local press, due to the expectation that behaviour and decisions would be publicly reported.

In Camden, we have a very active local press. There is not much that we do that doesn’t get reported. That is probably one (amongst a number) of the positive drivers towards high standards among councillors – what our councillors do and how they behave matters as it is noticed and reported on.¹⁴¹

**Andrew Maughan, Monitoring Officer,
Camden Council**

We are aware, however, that there is a decline of public interest journalism undertaken by the local press in many areas of the country. In some areas of the UK, public-interest journalism is undertaken privately by bloggers, but the quality of such journalism can vary significantly. This suggests to us that local government as a sector cannot rely on public interest journalism to provide the requisite transparency in decision-making; rather local authorities must have the right processes and attitudes in their own organisation to enable external scrutiny of behaviour and decisions.

The role of public-interest journalism is ‘telling people things they didn’t know’. It includes both an investigative aspect and encouraging public engagement with local democracy.¹⁴²

Darryl Chamberlain, editor, 853 blog

The scrutiny function within a local authority is vital to ensure effective and ethical decision-making. An authority should welcome and support scrutiny, seeing it as an opportunity to improve the quality of decision-making by challenging assumptions, probing policy intent, and testing viability. An authority should ideally take a risk-based approach to scrutiny, submitting decisions which carry the greatest risk to the greatest degree of scrutiny. The definition of risk should be based on the risk to the public interest, in respect of the authority’s duties, not reputational risk to the organisation.

¹⁴⁰ House of Commons Communities and Local Government Committee (2017), *Effectiveness of local authority overview and scrutiny committees*, HC 369, para 41

¹⁴¹ Andrew Maughan, Visit to Camden Council, Monday 15 October 2018

¹⁴² Darryl Chamberlain, Individual oral evidence, Tuesday 4 September 2018



[In an unhealthy organisational culture], self regard takes over and leaders end up spending their time looking at risk registers about reputational damage, rather than what the risks to the public are.¹⁴³

**Barry Quirk CBE, Chief Executive,
Royal Borough of Kensington &
Chelsea**

Councils should be open to processes such as peer review, for example, as offered through the Local Government Association, in order to test the effectiveness of their culture and organisational and governance structures. Such reviews should also include consideration of the processes the authority has in place to maintain ethical standards.

Common law rights of councillors to know what is going on are well established in local government. It is not about regulations (although they are there), it is about making sure the culture says 'these people are elected and have entitlement to know and there are some rules about confidentiality'. They can't pursue cases where they have individual reasons for not being involved.¹⁴⁴

**Max Caller CBE, Commissioner,
Northamptonshire County Council**

Recommendation 26: Local Government Association corporate peer reviews should also include consideration of a local authority's processes for maintaining ethical standards.

In the first instance, officers and portfolio-holders need to take decisions in a way that are open to scrutiny by council members. Local government differs from central government in that officials are accountable to full council, not to the administration. Council officers therefore have a general obligation to provide information to councillors and to account for decisions to councillors. Officers should ensure that members are aware of their right to gain information and to ask questions, and the culture of the authority should reflect the accountability of officers and the administration to full council.

143 Barry Quirk CBE, Individual oral evidence, Wednesday 19 September 2018

144 Max Caller CBE, Individual oral evidence, Thursday 20 September 2018



Conclusion

High standards of conduct in local government are needed to protect the integrity of decision-making, maintain public confidence, and safeguard local democracy.

Throughout this review, we have seen and heard that both councillors and officers want to maintain the highest standards in their own authorities. The challenge is to maintain a system that serves the best instincts of councillors and officers, whilst guarding against corporate standards risks, and addressing the problem of a small minority of councillors who demonstrate unacceptable behaviour.

A robust system, which includes adequate codes of conduct, investigation mechanisms and safeguards, and – where necessary – punitive sanctions, is important. What is more important, however, is a system and culture that enables good behaviour.

Our recommendations represent a package of reforms to strengthen and clarify the existing framework for local government standards. Whilst many of our recommendations would require primary legislation – whose implementation would be subject to Parliamentary timetabling – we would expect that those recommendations only requiring secondary legislation or amendments to the Local Government Transparency Code could be implemented by government relatively quickly. The best practice we have identified is, in most cases, already operating in a number of local authorities. Taken as a whole, this best practice represents a benchmark that any local authority in England can and should implement in their own organisation. We intend to monitor the uptake of our best practice in 2020.

Ultimately, however, responsibility for ethical standards rests, and should remain, with local authorities. Senior councillors and officers must show leadership in order to build and maintain an ethical culture in their own authority.

We are confident that local government in England has the willingness and capacity to maintain the highest standards in public life; the recommendations and best practice we have outlined will enable them to do so.



Appendix 1: About the Committee on Standards in Public Life

The Committee on Standards in Public Life (the Committee) is an advisory non-departmental public body sponsored by the Cabinet Office. The chair and members are appointed by the Prime Minister.

The Committee was established in October 1994, by the then Prime Minister, with the following terms of reference: *“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.”*

The remit of the Committee excludes investigation of individual allegations of misconduct.

On 12 November 1997, the terms of reference were extended by the then Prime Minister: *“To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”*

The terms of reference were clarified following the Triennial Review of the Committee in 2013. The then Minister for the Cabinet Office confirmed that the Committee *“[...] should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies”, and that “the government understands the Committee’s remit to examine ‘standards of conduct of all holders of public office’ as encompassing all those involved in the delivery of public services, not solely those appointed or elected to public office”.*

The Committee is a standing committee. It can not only conduct inquiries into areas of concern about standards in public life, but can also revisit those areas and monitor whether and how well its recommendations have been put into effect.

Membership of the Committee, as of January 2019

Lord (Jonathan) Evans of Weardale KCB DL,
Chair

The Rt Hon Dame Margaret Beckett DBE MP
Simon Hart MP

Dr Jane Martin CBE

Dame Shirley Pearce DBE

Jane Ramsey

Monisha Shah

(leave of absence since October 2018)

The Rt Hon Lord (Andrew) Stunell OBE

Secretariat

The Committee is assisted by a Secretariat consisting of Lesley Bainsfair (Secretary to the Committee), Ally Foat (Senior Policy Advisor), Stuart Ramsay (Senior Policy Advisor), Nicola Richardson (Senior Policy Advisor) (from January 2019), Aaron Simons (Senior Policy Advisor) (from January 2019), Lesley Glanz (Executive Assistant) (from December 2018) and Amy Austin (Executive Assistant and Policy Advisor). Press support is provided by Maggie O’Boyle.

Professor Colin Copus acted as academic advisor to the Committee during the review.



Appendix 2: Methodology

The Committee used a range of methods as part of its evidence gathering for this review, including:

- a public consultation, which received 319 responses, published online alongside our review
- 30 individual stakeholder meetings
- desk research, including:
 - research on the legal framework for local government standards
 - analysis of a sample of 20 principal authority codes of conduct
 - analysis of reports of corporate failure
- roundtable seminars, with Monitoring Officers, clerks and Independent Persons; and academics and think tanks
- five visits to local authorities in England

Stakeholder meetings

The Committee held 30 meetings with individual stakeholders. These meetings were all held on the basis that the no note of the meeting would be published, and material from the meeting would only be quoted in our report with the permission of the individual concerned.

Name	Role and organisation
Marie Anderson	Northern Ireland Local Government Commissioner for Standards
Nick Bennett	Public Service Ombudsman for Wales
Clive Betts MP	Chair, House of Commons Housing, Communities and Local Government Committee
Max Caller CBE	Best Value Inspector, Northamptonshire County Council
Darryl Chamberlain	Editor, 853 blog
Kirsty Cole	Deputy Chief Executive, Newark and Sherwood District Council
Kevin Dunion OBE*	Convenor, Standards Commission for Scotland
Jonathan Goolden	Wilkin Chapman LLP
Justin Griggs	National Association of Local Councils



Name	Role and organisation
Cllr Liz Harvey	Councillor and subject of R (Harvey) v Ledbury Town Council
Cllr Simon Henig CBE	Chair, Association of Labour Councillors
Mayor Dave Hodgson	Chair, Association of Liberal Democrat Councillors
Lorna Johnston	Executive Director, Standards Commission for Scotland
Lord (Robert) Kerlake	Former Permanent Secretary, Department of Communities and Local Government
Michael King	Local Government Ombudsman
Cllr Rory Love	Chairman, Conservative Councillors' Association
Dame Stella Manzie DBE	Former Chief Executive, Birmingham City Council
Graeme McDonald	Chief Executive, Solace
Jacqui McKinlay	Chief Executive, Centre for Public Scrutiny
Diana Melville	Governance Advisor, CIPFA (The Chartered Institute of Public Finance and Accountancy)
Aileen Murphie and Abdool Kara	National Audit Office
Mark Norris	Local Government Association
Cllr Marianne Overton MBE	Local Government Association Vice Chair (Independent)
David Prince CBE	Former Chief Executive, Standards for England, and former member of CSPL
Dr Barry Quirk CBE	Chief Executive, Royal Borough of Kensington and Chelsea
Cllr David Simmonds CBE	Former Local Government Association Vice Chair (Conservative)
John Sinnott and Lauren Haslam	Chief Executive and Director of Law and Governance, Leicestershire County Council
Rishi Sunak MP	Minister for Local Government
Richard Vize	Former editor, Local Government Chronicle
Rob Whiteman	Chief Executive, CIPFA (The Chartered Institute of Public Finance and Accountancy)

* Presentation on the work of the Standards Commission for Scotland at the Committee's October 2018 meeting



Roundtable seminars

The Committee held two roundtable seminars as part of this review. The first took place on Wednesday 18 April 2018 in Birmingham, with Monitoring Officers, clerks, and Independent Persons, and was held on the basis that a non-attributed summary note of the seminar would be published following approval by attendees, but verbatim material from the seminar would only be quoted in our report with the permission of the individual concerned. The summary note was published on our website on 14 May 2018. The second took place on Tuesday 24 April 2018, with academics and think tanks, and was held on the basis that a transcript of the seminar would be published following approval by attendees. This was published on our website on 14 May 2018.

Monitoring Officers, Clerks, and Independent Persons roundtable Wednesday 18 April

Name	Organisation
Dr Peter Bebbington	Stratford-upon-Avon District Council
Lord (Paul) Bew	Committee on Standards in Public Life
Kate Charlton	Birmingham City Council
Tom Clark	Mid Sussex District Council
Professor Colin Copus	Local Governance Research Unit, Leicester Business School
Jonathan Goolden	Wilkin Chapman LLP
Philip Horsfield	Lawyers in Local Government
Simon Mansell MBE	Cornwall Council
Tim Martin	West Midlands Combined Authority
Dr Jane Martin CBE	Committee on Standards in Public Life
Sharn Matthews	Northampton Monitoring Officers Group
Megan McKibbin	Ministry of Housing, Communities and Local Government
Lis Moore	Society of Local Council Clerks
Dr Jonathan Rose	Department of Politics & Public Policy, De Montfort University
Richard Stow	Herefordshire County Council
Meera Tharmarajah	National Association of Local Councils
Jeanette Thompson	North Hertfordshire District Council



**Academics and think tanks roundtable
Tuesday 24 April 2018**

Name	Organisation
Lord (Paul) Bew	Committee on Standards in Public Life
John Cade	INLOGOV, University of Birmingham
Professor Colin Copus	Local Governance Research Unit, Leicester Business School
Ellie Greenwood	Local Government Association
Paul Hoey	Hoey Ainscough Associates
Dr Jane Martin CBE	Committee on Standards in Public Life
Megan McKibbin	Ministry of Housing, Communities and Local Government
Jacqui McKinlay	Centre for Public Scrutiny
Mark Norris	Local Government Association
Dame Shirley Pearce DBE	Committee on Standards in Public Life
Jane Ramsey	Committee on Standards in Public Life
Rt Hon Lord (Andrew) Stunell OBE	Committee on Standards in Public Life
Brian Roberts	CIPFA (Chartered Institute for Public Finance and Accountancy)
Professor Tony Travers	London School of Economics and Political Science
Daniel Thornton	Institute for Government



Local authority visits

The Committee undertook visits to five principal authorities in England. The five local authorities were selected to ensure a representative range of geographies, tiers of local government, and political control. All five authorities had made written submissions to the Committee's consultation.

Local authority	Date	Meetings
Uttlesford District Council	10 September 2018	Standards committee; Chief Executive; Monitoring Officer; Independent Persons; parish council chair; Essex Association of Local Councils
Worcestershire County Council	11 September 2018	Standards committee; group leaders; Chief Executive; Monitoring Officer; Independent Person; independent members of standards committee
Leeds City Council	18 September 2018	Standards committee; Chief Executive; Deputy Monitoring Officer; Independent Person; Leader and Deputy Leader; Leader of the Opposition; group whips; community representative
Cornwall Council	24 September 2018	Standards committee; Chief Executive; Monitoring Officer and Deputy Monitoring Officer; Leader; Independent Persons; independent members of standards committee; Cornwall Association of Local Councils
Camden Council	15 October 2018	Monitoring Officer; Chief Executive; Administration Chief Whip; Leader of the Opposition; Independent Person*

*Follow-up telephone conversation

Committee on Standards in Public Life

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January 2019

HARROW COUNCIL

A. CODE OF CONDUCT FOR COUNCILLORS AND MEMBERS

Background

The Localism Act 2011 requires the Harrow Council to promote and maintain high standards of conduct by Members and Co-opted Members of the Council. It also requires the Council to adopt a code of the conduct expected of such Members when acting in that capacity.

This Code has been prepared and adopted by Harrow Council

The Council having adopted this Code will, from time to time, revise and replace it as is appropriate but will publicise such changes through its website and otherwise for the information of people living in its area.

PART 1

GENERAL PROVISIONS

Introduction and interpretation

- 1.1 This Code defines the standards of conduct, which will be required of you and in your relationships with the Council and its Officers. It has been created to embrace the 10 general principles of conduct which are set out in Appendix 1.
- 1.2 The Code represents the standard against which the public, fellow Councillors, and the Authority's Standards Committee will judge your conduct. A breach of the Code may also constitute a criminal offence.
- 1.3 You should familiarise yourself with the requirements of this Code. You should regularly review your personal circumstances, particularly when those circumstances change. If in any doubt, you should seek advice from the Authority's Monitoring Officer.
- 1.4
 - (1) This Code applies to you as a member of the Council.
 - (2) You should read this Code together with the general principles set out in Appendix 1.
 - (3) It is your responsibility to comply with the provisions of this Code.
 - (4) In this Code –
 - (a) "the Act" means the Localism Act 2011;

- (b) “body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;
- (c) “Co-opted member” means any person who is not a member of the Council but who:
- (i) Is a member of any committee or sub-committee of the council, or
 - (ii) Is a member of and represents the council on any joint committee or joint sub-committee of the Council, or
 - (iii) Is a non-executive member of Cabinet;
- (d) “director” includes a member of the committee of management of an industrial and provident society;
- (e) “land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;
- (f) “M” means a member of a relevant authority;
- (g) “meeting” means any meeting of -
- (i) the Council;
 - (ii) the Executive of the Council;
 - (iii) any of the Council’s or its executive’s committees, sub-committees, joint committees, joint sub-committees, or area committees;
 - (iv) in taking a decision as a Ward Councillor or as a Member of the Executive;
 - (v) at any briefing by officers; and
 - (vi) at any site visit to do with business of the authority
- (h) “member” includes a Co-opted member and an Appointed Member;
- (i) “relevant authority” means the authority of which M is a member;
- (j) “relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of paragraphs 9.2 (a) or 12.1 of this Code.
- (k) “relevant person” means M or any other person referred to in paragraph 8.1 (b).
- (l) “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial

Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

(m)“subject to a pending notification” means a notification made of a disclosable pecuniary interest to the Monitoring Officer which has not yet been entered in the Register of Interests.

Scope

2. You must comply with this Code whenever you are acting in your capacity as a Member of the Council.

General obligations

3. (1) You must treat others with respect.
 - (2) You must not-
 - (a) do anything which may cause the Council to breach any of the equality enactments (as defined in section 33 of the Equality Act 2006
 - (b) bully any person;
 - (c) intimidate or attempt to intimidate any person who is or is likely to be
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) involved in the administration of any investigation or proceedings,
 - (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Council .
 - (3) In relation to police authorities and the Metropolitan Police Authority, for the purposes of sub-paragraph (2)(d) those who work for, or on behalf of, an authority are deemed to include a police officer.
4. You must not -
 - (a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where -
 - (i) you have the consent of a person authorised to give it;
 - (ii) you are required by law to do so;

(iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or

(iv) the disclosure is -

(aa) reasonable and in the public interest; and

(bb) made in good faith and in compliance with the reasonable requirements of the authority; or

(b) prevent another person from gaining access to information to which that person is entitled by law.

5. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the Council into disrepute.

6.1 You:-

(a) must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and

(b) must, when using or authorising the use by others of the resources of the Council -

(i) act in accordance with the Council's reasonable requirements;

(ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and

(c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

6.2 You may have dealings with the Council on a personal level, for instance as a council tax payer, as a tenant, or as an applicant for a grant or a planning permission. You should never seek or accept preferential treatment in those dealings because of your position as a Member. You should also avoid placing yourself in a position that could lead the public to think that you are receiving preferential treatment. Likewise, you should never use your position as a Member to seek preferential treatment for friends or relatives, or any firm or body with which you are personally connected.

6.3 You should always make sure that any facilities (such as transport, stationery, or secretarial services) provided by the Council for your use in your duties as a Councillor or a committee member or member of the Executive are used strictly for those duties and for no other purpose.

7.1 (1) When reaching decisions on any matter you must have regard to any relevant advice provided to you by –

(a) the Council's Chief Finance Officer; or

(b) the Council's Monitoring Officer,

where that officer is acting pursuant to his or her statutory duties.

(2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

7.2 When reaching decisions you should -

(a) not act or cause the Council to act unlawfully, in such a manner as would give rise to a finding of maladministration, in breach of any undertaking to the Court, or for the advantage of any particular person or interest rather than in the public interest; and

(b) take into account all material information of which you are aware and then take the decision on its merits and in the public interest

7.3 No member may be involved in scrutinising a decision in which he/she has been directly involved. In particular, Portfolio Holder Assistants should not participate in or vote on the scrutiny of matters within their identified remit, as approved by Cabinet.

PART 2

REGISTRATION AND DISCLOSURE OF INTERESTS

Disclosable Pecuniary Interests

8.1 A pecuniary interest is a "Disclosable Pecuniary Interest" if it is of a description specified in Appendix 2 and either:

(a) it is the interest of you as a Member or

(b) it is an interest of:

(i) the Member's spouse or civil partner

(ii) a person with whom the Member is living as husband and wife, or

(iii) a person with whom the Member is living as if they were civil partners,

and the Member is aware that the other person has that interest.

8.2 If you are in any doubt as to whether you should continue to participate in any matter, you should take advice from the Monitoring Officer at an early stage as to whether your circumstances permit continued participation.

8.3 You, or some firm or body with which you are personally connected may have professional, business or other personal interests within the area for which the Council is responsible. Such interests may be substantial and closely related to the work of the Executive or one or more of the Council's committees. You

should not seek, or accept, membership of the Executive or any such committee, if that would involve you in disclosing an interest so often that you could be of little value to the Executive or committee, or if it would be likely to weaken public confidence in the duty of the Executive or committee to work solely in the general public interest.

Effect of disclosable pecuniary interests on participation

9.1 Where you are present at a meeting of the Council and you are aware that you have a disclosable pecuniary interest in any matter to be considered, or being considered, then:

- (a) if the interest is not entered on the Council's register of interests you must (subject to the provision relating to sensitive interests) disclose the interest to the meeting, and
- (b) if the interest is not entered on the Council's register of interests and is not the subject of a pending notification you must notify the Monitoring Officer of that interest before the end of 28 days beginning with the date of disclosure and
- (c) (i) (subject to any current dispensation) may not participate (or participate further) in any discussion of the matter at the meeting or

(ii) participate in any vote (or vote further) taken on the matter at the meeting

(iii) and must leave the room in which the meeting is being held

9.2 If a function of the Council may be discharged by you as a single member acting alone and you are aware that you have a disclosable pecuniary interest in any matter to be dealt with, or being dealt with, in the course of discharging that function then

- (a) if the interest is not entered on the Council's register of interests and is not the subject of a pending notification you must notify the Monitoring Officer of that interest before the end of 28 days beginning with the date when you became aware of the existence of the interest in relation to the business to be dealt with and
- (b) you must not take any steps, (or further steps) in relation to that matter except for the purpose of enabling the matter to be dealt with otherwise than by you.
- (c) decision-making by a single executive member is a matter of particular sensitivity, and if you have a disclosable interest in a matter on which you may take a decision you should wherever possible refer the matter to the Executive for a collective decision.

Other Interests

10.1 In addition to the above requirements, if you attend a meeting at which an item of business is to be considered and you are aware that you have other interests in that item, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent.

10.2 Other interests are ones where –

Any decision in relation to the item at a meeting might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area.

A close family member is a spouse, civil partner or any person living with the member as a spouse or civil partner, or a Member's brother or sister, son or daughter or a parent.

Interests include, but are not limited to the interests listed in the Table in Appendix 2 of this Code.

11.1 Dispensations

In cases where a member has a disclosable pecuniary interest, they may still be able to participate and vote at a meeting if they have obtained a dispensation from the GARMS Committee in accordance with the provisions set out below:

There are 5 circumstances in respect of which a dispensation may be granted, namely:

- (a) That so many members of the decision-making body have disclosable pecuniary interests in a matter that it would impede the transaction of the business;
- (b) That, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter;
- (c) That the authority considers that the dispensation is in the interests of persons living in the authority's area;
- (d) That without a dispensation, no member of the Cabinet would be able to participate in this matter, or
- (e) That the authority considers that it is otherwise appropriate to grant a dispensation

11.2 You must make verbal declaration of the existence and nature of any dispensation granted to you at or before the consideration of the item of

business or as soon as the interest to which the dispensation relates, becomes apparent. In the event of a blanket dispensation granted to all Members on a particular matter, this should be declared by the Chair at the commencement of the meeting.

Gifts and Hospitality

- 12.1 You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £100 which you have accepted as a member from any person or body other than the authority.
- 12.2 The Monitoring Officer will place your notification on a public register of gifts and hospitality.
- 12.3 This duty to notify the Monitoring Officer does not apply where the gift, benefit or hospitality comes within any description approved by the authority for this purpose.
- 12.4 See Appendix 3 Protocol on Gifts and Hospitality for full details.

PART 3

REGISTRATION OF MEMBERS' INTERESTS

Registration of Members' interests

- 13.1 You must, within 28 days of –
 - (a) this Code being adopted by the Council or
 - (b) your election or appointment to office (where that is later):notify the Council's Monitoring Officer of any disclosable pecuniary interest which you have at the time of notification for registration in the Council's register of members' interests maintained under the Act.
- 13.2 Where you become a member of the Council as a result of re-election or re-appointment the requirement for notification as mentioned in sub-paragraph (1) above applies only to disclosable pecuniary interests not entered in the register when the notification is given.
- 13.3 Entries in the register are not required to be retained once you:
 - (a) no longer have that interest or
 - (b) have ceased to be a Member of the Council (otherwise than transitorily on re-election or re-appointment).
- 13.4 Where a Member gives a notification for the purposes of sub-paragraph (1) above the Monitoring Officer must cause the interests notified to be entered on the Register whether or not they are disclosable pecuniary interests.

- 13.5 Where a Member gives a notification for the purposes of paragraphs 9.1(b) or 9.2 (a) above the Monitoring Officer must cause the interest notified to be entered on the Register whether or not they are disclosable pecuniary interests.
- 13.6 You must inform the Monitoring Officer within 28 days of any change to your circumstances regarding any existing registration or need for further registration.

Sensitive information

14. Where you have a personal or declarable pecuniary interest and you and the Monitoring Officer consider that it is of such a nature that disclosure of the details of the interest could lead to you or a person connected to you being subject violence or intimidation then:
- (a) if the interest is entered on the Council's Register, copies that are made available for inspection and any publishes version of the Register must not include details of the interest but may state that you have an interest details of which are withheld under this provision.
 - (b) if by virtue of this Code you are required to disclose an interest at a meeting then that requirement shall be amended to only require disclosure that such an interest exists in respect of the matter concerned, but not the terms of that interest.

APPENDIX 1

THE 10 GENERAL PRINCIPLES OF CONDUCT

Members are reminded of the 10 General Principles of Conduct (as set out below), which govern the conduct of members.

1. **Selflessness** - Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
2. **Honesty and Integrity** - Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
3. **Objectivity** - Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.
4. **Accountability** - Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
5. **Openness** - Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
6. **Personal judgement** - Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
7. **Respect for others** - Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.
8. **Duty to Uphold the Law** - Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.
9. **Stewardship** - Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.
10. **Leadership** - Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

APPENDIX 2

DISCLOSABLE PECUNIARY INTERESTS

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011. For those purposes `Disclosable Pecuniary Interests` are defined as follows –

<i>Interest</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>

<i>Interest</i>	<i>Prescribed description</i>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

Introduction

1. This note lets you know how to make a complaint that a member of Harrow Council has breached the Council's code of conduct.
2. The Code of Conduct can be found in the Council's constitution at <http://www.harrow.gov.uk/www2/documents/s117835/Part%205A%20Code%20of%20Conduct%20for%20Councillors.pdf>

How to make a complaint

3. Complaints must be made in writing. You can use the online form or send your complaint by post or email to:

The Monitoring Officer
Civic Centre
PO Box 2
Station Road
Harrow
HA12UH

Email: standards.monitoringofficer@harrow.gov.uk

4. You should specify what particular provision of the code of conduct you believe have been breached and the details of what happened.
5. If you want to keep your name and address confidential, please indicate this. There is a space provided for this purpose on the complaint form. If you choose to remain confidential we will not disclose your name and address to the member against whom you make the complaint, without your prior consent. However, please provide us with your name and contact details so we can acknowledge your complaint and keep you informed of progress.
6. The authority does not normally investigate anonymous complaints, unless there is a clear public interest in doing so.
7. The Monitoring Officer will acknowledge receipt of your complaint within 5 working days of receiving it, and will keep you informed of the progress of your complaint.
8. If your complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to refer the matter to the Police and other regulatory agencies.
9. If you are willing for your complaint to be dealt with by way of mediation then this option will be given to you if the Monitoring Officer feels that this is appropriate.

The Independent Person

10. This note refers to the Independent Person. This is someone appointed by, but independent of, the Council whose role is to carry out certain functions in relation to

complaints against members. The Council is required by law to have at least one Independent Person.

Stage 1 - filtering

11. The Monitoring Officer in consultation with the Independent Person is able to filter out complaints that:

- do not fall within the code of conduct;
- are considered to be frivolous or vexatious;
- are about events which took place more than 6 months' prior to the receipt of the complaint by the Monitoring Officer, unless there are exceptional circumstances; and/ or
- do not merit further investigation on public interest grounds.

12. The public interest test referred to above involves taking into account factors including the seriousness of the complaint, the cost of investigating and hearing the complaint and the sanctions available.

13. The member complained about will be told about the complaint and asked for their comments in writing at this stage. The member also has a right to consult the Independent Person. You may also be asked for further information about your complaint.

Stage 2 – consideration by the Standards Working Group

14. If your complaint is not filtered out, it will be considered by the Standards Working Group (SWG). This is an advisory group each meeting of which will be made up of one member from each political group on the Council at the time and an Independent Person who will chair the meeting. Its role is to make recommendations to the Monitoring Officer. Meetings held at this stage will always be held in private.

15. The SWG will consider the complaint and make one of the following recommendations to the Monitoring Officer:

- that the matter should proceed no further either on the grounds that there is no breach of the Code or that it is not in the public interest to proceed; or
- That the matter cannot be determined on the facts available and should be investigated and come back before the SWG for further consideration; or
- That there is a breach of the Code of Conduct and that a sanction should or should not be applied. If it recommends that a sanction should be applied then it should specify the sanction (see paragraph 30 below).

16. The Monitoring Officer will consider the view of the SWG and will decide which of the options above should be followed. If he/she decides that an investigation should take place the matter will progress to stage 3.

Stage 3 - investigation

17. The Monitoring Officer will appoint an Investigating Officer, who may be another senior officer of the authority, an officer of another authority or an external investigator.

18. The Investigating Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can explain your understanding of events and suggest what documents the Investigating Officer needs to see, and who the Investigating Officer needs to interview.
19. The Investigating Officer would normally also write to the member against whom you have complained and provide him/her with a copy of your complaint, and ask the member to provide his/her explanation of events, and to identify what documents s/he needs to see and who s/he needs to interview.
20. At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to you and to the member concerned, to give you both an opportunity to identify any matter in that draft report which you disagree with or which you consider requires more consideration.
21. Having received and taken account of any comments which you may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.

Stage 4 – consideration of investigation report

22. The Monitoring Officer will put forward the investigation report to the SWG for consideration. The Group will decide whether to recommend to the Monitoring Officer that a local hearing should be held to consider whether it appears that there has been a breach of the Code of Conduct. Alternatively, the SWG may recommend, on the basis that there is no evidence of a failure to comply with the Code of Conduct, that the Monitoring Officer write to you and the member concerned, notifying you that s/he is satisfied that no further action is required, and give you both a copy of the Investigating Officer's final report.
23. The Monitoring Officer will consider the recommendation of the SWG and make a decision.

Stage 5 – Local Hearing by the Standards Working Group

24. At the start of the hearing, the SWG will decide whether or not the hearing should be heard in public with the presumption that it will be heard in public. It will consider whether it is in the public interest to do so.
25. The Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask you as the complainant to attend and give evidence to the SWG. The member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the SWG as to why he/she considers that he/she did not fail to comply with the Code of Conduct.
26. The SWG, with the benefit of any advice from the Independent Person, will reach a view on whether the member did or did not fail to comply with the Code of Conduct. The Chair will inform the member of this finding and the SWG will then consider what views and findings of fact and recommendations it should make to the Monitoring Officer. If action is recommended, any such recommendations should be in line with the actions available to the Monitoring Officer (see paragraph 30 below).

27. If the Monitoring Officer disagrees with the recommendations he/she may refer the matter back to the SWG for further consideration, stating why he/she disagrees with their recommendations.
28. If, after further consideration by the SWG, the Monitoring Officer still disagrees with its recommendations he/she may make a decision or refer the matter to the Governance, Audit, Risk Management and Standards Committee (GARMSC) for decision.

Stage 6 – Referral to GARMSC

29. If the matter is referred to GARMSC for decision the matter will be considered on the basis of a report setting out the alternative positions of the Monitoring Officer and the Standards Working Group. No evidence will be heard.

What action can the Monitoring Officer or GARMSC take where a member has failed to comply with the Code of Conduct?

30. In the event of a finding that there is a breach of the Code the Monitoring Officer or GARMSC may:
- Report the decision to the GARMSC (if the Monitoring Officer has made the decision) and then Council for information and place them on the Council's website;
 - Inform the Group Leader (or in the case of an independent member, Council) of a recommendation that a member be removed from any or all Committees or Sub-Committees, or outside body appointments;
 - Inform the Group Leader of any recommendations that the member be removed from the Cabinet, or removed from particular portfolio responsibilities;
 - Remove the member from outside body appointments;
 - Arrange training for the member or, if the decision is made by GARMSC, instruct the Monitoring Officer to do so;
 - Where the breach involves inappropriate use of facilities, withdraw such facilities provided to the member by the Council, such as a computer, website and/or email and internet access; or
 - Exclude the member from the Council's offices or other premises, with the exception of meeting rooms necessary for attending Council, Committee and Sub-Committee meetings; or
 - Censure the member for the breach, in which case the Monitoring Officer will write, (following a request from GARMSC if it has made the decision), to the Member and a press report will be issued.

What happens after the Monitoring Officer or GARMSC have made their decision?

31. As soon as reasonably practicable, the Monitoring Officer shall prepare a formal decision notice and send a copy to you, to the member, make that decision notice available for public inspection and report the decision to the next convenient meeting of the Council. This does not apply to decisions made by the Monitoring Officer to filter out a complaint.

Revision of these arrangements

32. The Council may by resolution agree to amend these arrangements.

Reports to GARMSC

33. If the Monitoring Officer makes a decision contrary to a recommendation of the Standards Working Group that matter should be reported to GARMSC at its next meeting.

Appeals

34. There is no right of appeal to the Council in respect of any decision made under this process. A complaint may be made to the Local Government Ombudsman, subject to him/her accepting jurisdiction.

Publication of the outcome of complaints

35. The Council maintains information about the outcome of complaints on its website unless the matter is sensitive and the Monitoring Officer therefore believes it should not be made public. The information published in this way in respect of each complaint is:

- a. The member complained about;
- b. The complainant (unless they have asked for their details to remain confidential);
- c. The brief nature of the complaint;
- d. The stage which the complaint finally reached; and
- e. Any sanction applied.

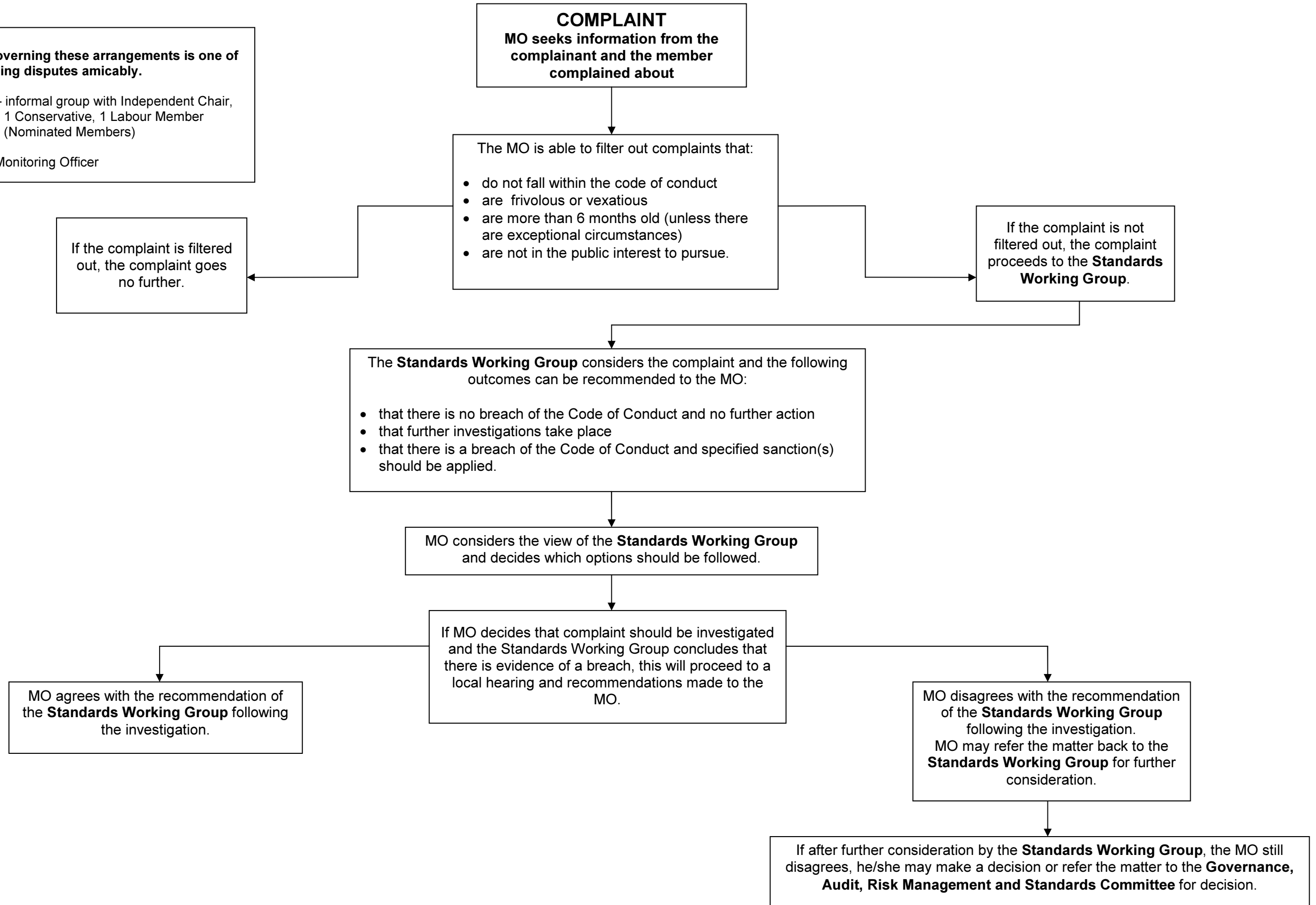
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KEY
One of the themes governing these arrangements is one of mediation and resolving disputes amicably.

Standards Working Group – informal group with Independent Chair, 1 Conservative, 1 Labour Member (Nominated Members)

MO Monitoring Officer

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43



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REPORT FOR: Governance, Audit and Risk Management Committee.

Date of Meeting: 16 July 2019

Subject: Annual Health and Safety Report

Responsible Officer: Paul Walker, Corporate Director (Community)

Exempt: No

Wards affected: N/A

Enclosures:

Appendix 1 – Analysis Report for Accidents and Incidents Quarter 1 To Quarter 4 (1st April 2018 – 31st March 2019)

Appendix 2 – Trends

Appendix 3 – H&S Strategy 2019-2022

Appendix 4 – Corporate H&S Board Terms of Reference

Appendix 5 – Occupational Health Overview 2018-19

Appendix 6 – Health & Safety Policy 2019-2020

Section 1 – Summary and Recommendations

This report summarises the council's health and safety performance for the year 1st April 2018 to 31st March 2019, providing an update of activities and giving information on outcome measures – training, audits and accidents. Information about Occupational Health is provided for information as does not sit within the Corporate Health & Safety remit. The report also seeks to approve the Health & Safety Strategy and Policy

Recommendations:

The Committee is requested to:

1. Note the Accidents and Incidents report for information
2. Approve the Health & Safety Strategy as set out in Appendix 3
3. Approve the annual Health & Safety Policy in Appendix 6

Section 2 – Report

Executive Summary

- 2.1 The Corporate Health and Safety Service has continued to develop the health and safety management system and to provide support and guidance across the organisation during the period from April 2018 to March 2019.
- 2.2 Part of this has included the establishment of safety circles across the directorates, as well as directorate health and safety management teams, to provide the hierarchy from the Corporate Health and Safety Board to the front line staff..
- 2.3 The key work streams during the period have been:
 - The introduction of an Health & Safety Strategy and Action Plan (see **Appendix 3**).
 - The annual review of the Health & Safety Policy (see **Appendix 6**)
 - Maintenance and introduction of organisation specific health and safety policies and Codes of Practice.
 - Provision of health and safety support, advice and guidance.
 - Continued delivery of health and safety training.
- 2.4 The management of the occupational health service and employee assistance programme has stayed with HR, due to direct links with employment and sickness.
- 2.5 The key points from the period April 2018 - March 2019 are as follows:
 - No enforcement action from the HSE.
 - There has been significant increase in incident reporting (1349 recorded in 2018/19, 722 recorded 17/18). This increase has occurred in the main within schools (73% of all incidents reported), where a lot of work has taken place by Corporate Health & Safety to ensure that incidents are logged on to the SHE software, being the corporate software system that is used for monitoring and recording health and safety across the organisation.
 - There has however been a drop in the number of RIDDOR reportable incidents (22 reported in 2018/19, compared with 27 reportable incidents in 2017/18).

Background

- 2.6 An annual safety review is undertaken and a report prepared detailing health and safety performance to enable the Council to determine its effectiveness in managing risk and address any shortcomings.

External Assurance

- 2.7 In 2016 an audit was conducted by Croner, leading to a full review of all aspects of Corporate Health & Safety including the governance, resulting in an initial action plan that was taken to Corporate Strategic Board in 2017 and GARMSC in 2018.

Improvement Plan

- 2.8 Following the completion of the Croner audit in January to March 2016, work to set out actions required, and approval by Corporate Strategic Board in September 2017 and Governance, Audit and Risk Management Committee (GARMSC) in October 2017, a strategy document was produced setting out the aims and objectives of the corporate health & safety service
- 2.9 In February 2019, a temporary Health & Safety Compliance Manager was employed who has reviewed and rewritten the health and safety strategy and accompanying action plan. This can be found in **Appendix 3**
- 2.10 The action plan is underway and monitored by the Corporate Health & Safety Board that meets on a current quarterly basis to ensure implementation. Focus is on ensuring all are aware of their responsibilities and governance is in place.
- 2.11 As part of this, and in line with legislative requirements, the Health & Safety Policy for the Council has been refreshed and updated, and is included in **Appendix 6**

Health and Safety Policy and Guidance

- 2.12 A review of all existing policies and codes of practice was undertaken in this year, including the overarching health and safety policy which has been signed off by the Council Leader and Chief Executive. Updates were made to reflect changes in organisational structure, as well as a new smoking policy which combines the separate HR document with the Health and Safety document.

Health and Safety Groups

- 2.13 Due to internal changes, this aspect is being sought to be revitalised to ensure that it happens, due to past concerns over poor representation from all directorates.
- 2.14 Revitalisation has taken place in the Community directorate with greater focus on service involvement.
- 2.15 In addition a Depot Health at Work group meets monthly at present to reflect the high risk nature of activities at the depot, and the chairing of this has passed to Facilities Management as the Corporate Landlord.

Health and Safety Visits, Inspections and Audits

- 2.16 Site visits, inspections and accident investigations have continued to be performed by the Corporate Health and Safety Service through the organisation.
- 2.17 Further e-self health and safety audits are to be conducted both by managers and by corporate health and safety team, within the year to establish the current level of health & safety compliance throughout the organisation, especially following a number of directorates restructures that have, and currently being, undertaken.
- 2.18 The service has also continued to respond to requests for site visits, principally in schools, providing guidance and support on a range of issues including monitoring the summer holiday building works programme and fire arrangements.
- 2.19 Going forward, a plan of site audits will be taking place using the capacity within the Corporate Health & Safety Team to ensure health & safety stays at the forefront of the organisation and schools. Part of this is management self-audits across the organisation.

Education Outside the Classroom

- 2.20 The service has continued to review assessments for a wide range of trips including residential trips, outdoor activities and overseas trips.

Occupational Health

- 2.21 HML continues to provide the occupational health service and the service is overseen by HR. They continue to carry out online and face to face appointments, the latter being held off-site at a number of their premises. As a result they are able to breakdown use by Council Staff and Schools.
- 2.22 **Appendix 5** provides a breakdown of Occupational Health referrals for the period 2018-19 for information
- 2.23 HM Assist has continued to provide an Employee Assistance Programme to the organisation whereby employees can freely obtain a range of services including specialist counselling and financial advice. This service has continued to be promoted throughout the year.

Promotion of Health, Safety and Well Being

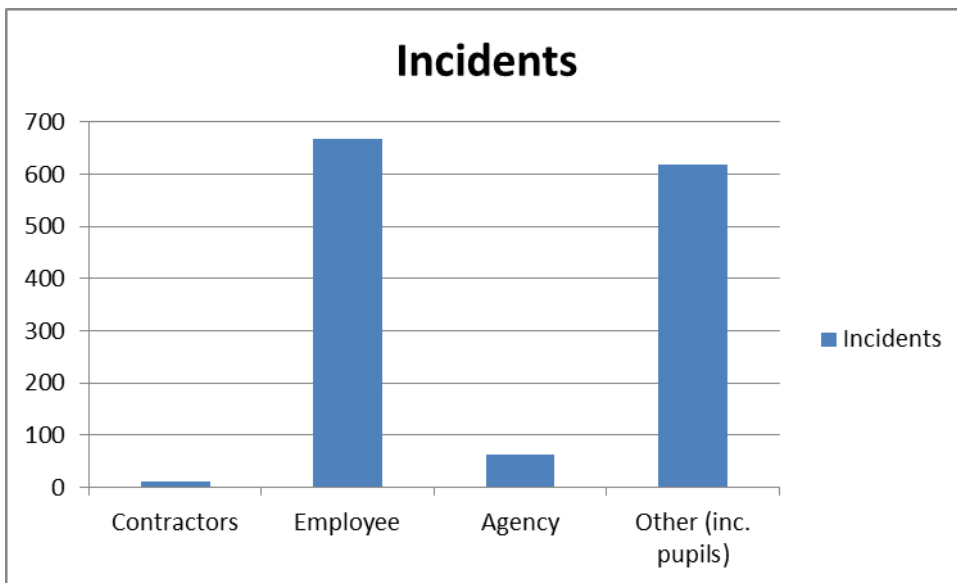
- 2.24 Public Health, under the People Directorate, leads on implementation of the London Healthy Workplace Charter in Harrow.
- 2.25 There is also the Health & Wellbeing Board (HWBB) which is a multi-agency group focused on improving the health of residents in Harrow. The group is made up of:
- the council
 - NHS commissioners
 - GP commissioners
 - the voluntary sector together to focus on.

2.26 The HWBB is chaired by the Leader of Harrow Council. It is the executive body responsible for agreeing what the needs of the local population are, promoting integration and supporting alignment and joint commissioning.

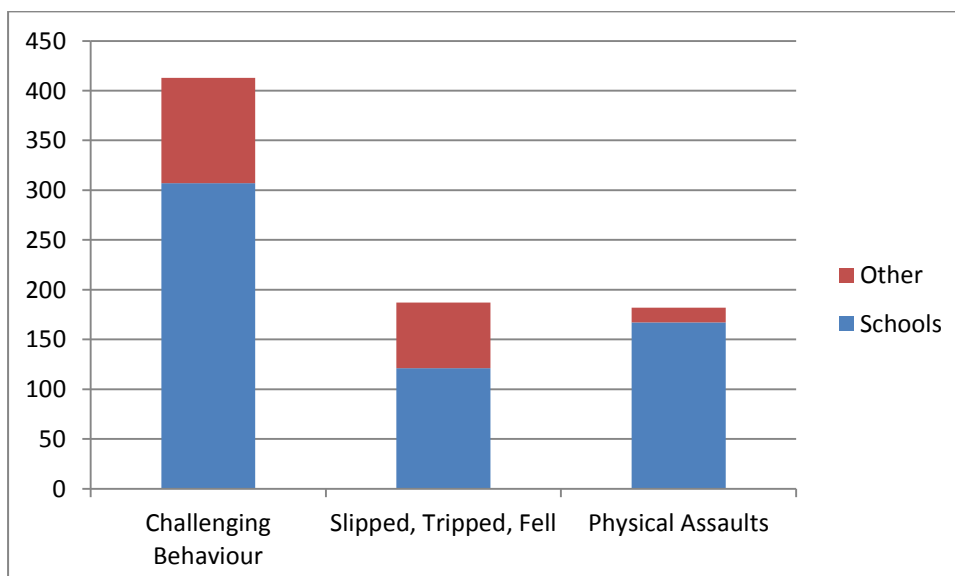
Incidents reported

2.27 Incident performance is still monitored by both the directorate & corporate groups every quarter. The data is considered both in terms of volume and through key performance indicators which allow consideration of the number of employees and number of employee hours worked.

2.28 There have been 666 employee related incidents (this includes all near misses, and not just accidents) in this period, 13 of which have required reporting to the Health and Safety Executive.



2.29 This year the largest accident types across the corporate estate, including schools which have signed up to the Service Level Agreement with Corporate Health & Safety, were Challenging Behaviour (413), Slips, Trips and Falls, (187) and Physical Assaults (182). The vast majority of these occurred at schools:



- 2.30 Within these top 3 categories, 5 were RIDDOR reportable and are broken down in **Appendix 2**
- 2.31 A breakdown of incidents in schools with an SLA with the Council has highlighted that schools where work by Corporate Health & Safety has led to all incidents recorded, as previously only high risk ones were. Of all these incidents, a high proportion are minor and near misses. This should not be interpreted as a failure of the schools, but a natural increase in numbers associated with better education and understanding. This is in line with the report to GARMSC in 2018 where it was reported that a measure of success of the Corporate Health and Safety was an increase in reporting in the next few years.
- 2.32 This work, as well as the increase in incidences, has highlighted some other schools incident numbers remain low and work is to take place to understand if all incidents are being reported.
- 2.33 Of the 366 incidents not related to schools, 74% relate to the Community Directorate that includes Special Needs Transport. This is reflected in that 32.4% of all incidents relate to challenging behaviour (51.7% of those related to children/adults transported). Overall though, the downward trend in incidents in Community continues (6% drop in last 2 years)
- 2.34 Of the other directorates / areas, People Directorate accounted for 21.5% of the 366 incidents, Resources and Commercial accounted for 5%. Regeneration and Planning Service were the only service reporting no incidents in 2018-19
- 2.35 Two key performance indicators (see **Appendix 2**) are used to monitor performance, the accident incidence rate, which is the number of accidents per 100,000 employees and the reportable injury frequency rate, which is the number of incidents reportable to the HSE per 100,000 person hours.
- 2.36 A review of the accident incident rate over the last four years has revealed that there have been steady rises, which correlates with increased reporting from schools
- 2.37 The RIDDOR injury frequency rate over the last four years has seen an initial increase followed by a reduction.
- 2.38 The service continues to record incidents relating to non-employees where it relates to the organisation's activities or the use of its facilities. Nearly all these incidents relate to pupils and are minor incidents e.g. sports or playground injuries. There are no trends identified from this data and individual incidents have been addressed in the appropriate manner.
- 2.39 Analysis of the trends from the key performance indicators and the incident type and occupation indicates that overall incident performance within the Council is improving. The health and safety audit programme has focussed on areas where management of risk will reduce the potential for an incident, for example, lone working assessments for social care workers and managing medicines arrangements in schools.

- 2.40 Continuous improvement in risk assessment and safety procedures will improve incident performance but due to the low numbers and the diverse nature of the incidents, the improved performance cannot be attributed to direct intervention in key areas.
- 2.41 Work has also taken place with the waste service and streets and grounds, to address matters such as PPE

Health and Safety Training Data

- 2.41 A training programme has continued to be delivered by the Corporate Health and Safety Service, but within the bigger remit of the Training Academy since 2017
- 2.42 The Commercial Safety Team has worked with the Training Academy to ensure it is an accredited training centre for Highfield and Chartered Institute of Environmental Health (CIEH); offering accredited and bespoke courses across all areas of health & safety, food safety and public health matters.
- 2.43 These courses are available on the training calendar and the service will continue to monitor incident performance, using the improved SHEAssure software arrangements, against delivered training to identify positive impacts and areas where further training is necessary.
- 2.44 It has been noted that not all new starters are attending the induction training with the course now available online through learning pool, which should aid greater completion of the course.
- 2.45 Work is taking place with the Learning and Development Team to improve the induction training as well as the mandatory on line health & safety training course.

Legislation Update

- 2.46 The period 2018/19 saw no significant legislation change that impacted the reporting of health & safety.

Stakeholder Feedback

- 2.47 The Corporate Health & Safety Board, chaired by the Corporate Director Community, includes both recognised Trade Unions, who continue to be proactive in their approach to health & safety. The terms of reference for this is shown in Appendix 4
- 2.48 There has been no enforcement activity by the HSE during this period.

Management Assurance

- 2.49 Monitoring of health and safety performance within the organisation will continue to sit with the Corporate Health & Safety Board going forward, who will provide updates to the Corporate Strategic Board

2.50 Due to the restructures over the last 6 months, and changes around the Council, the Directorate health and safety forums are to be re-energised to ensure taking place regularly and effectively. Presentations to the Directorate Meetings took place throughout 2018-19

2.51 Presentations around performance, strategy and policy have taken place on a regular basis to the Corporate Strategic Board, and are reported on at the Corporate Board.

Plans for April 2019 - March 2020

2.53 The key actions for 2019/20 include the following:

- Continuation of safety teams across the Council, in line with the Health & Safety Strategy
- Corporate take up of the Assure SHE Software as the recognised software system for all health and safety matters including reporting of incidents, targeting areas where low numbers reported
- Health and safety support and advice within Harrow Council.
- Training programme across the Council to ensure all receive the necessary training, with British Safety Council training for Directors and Heads of Service taking place
- Implementation of the Health and Safety Strategy

Legal Implications

The Health and Safety at Work etc Act 1974 requires employers to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all his employees, and also to prepare (and review) a policy in relation to it.

Financial Implications

Health and safety management is integral to directorate budgets, and the functions of the Corporate Health and Safety team are carried out within the budget available.

A one-off corporate funding was secured in 2018/19 to bring in additional capacity to ensure the successful implementation of the health & safety strategy. The works continue in 2019/20 and the costs are to be met from the unspent funding carried forward from 2018/19

Risk Management Implications

Health and Safety is on the Directorate and Corporate Risk Register

The risk identified is “Failure to fulfil the Council’s Health & Safety duties leading to a harmful event for an individual/individuals for which the Council is responsible leading to litigation”. As a result, a risk register has been prepared by the Temporary Health & Safety Compliance Manager to ensure key high risk areas are addressed while the strategy is implemented.

Equalities implications / Public Sector Equality Duty

This report is for information, and protected characteristics are constantly measured as part of any health & safety system, especially aspects of age and disability.

Council Priorities

The delivery of health and safety management is integral to, and supports the achievement of all Corporate Priorities.

Section 3 - Statutory Officer Clearance

Name: Jessie Man	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 24 June 2019		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8 July 2019		
Name: Paul Walker	<input checked="" type="checkbox"/>	Corporate Director
Date: 8 July 2019		

Ward Councillors notified:

NO

Section 4 - Contact Details and Background Papers

Contact: Richard Le-Brun, Head of Community & Public Protection, 020 8736 6267

Background Papers: Corporate Health & Safety Action Plan

APPENDIX 1

Specific details regarding RIDDORs is available, but are reviewed as standard practice.

Harrow as a whole – Employees Q1 to Q4 2018/19

Type of Incident	Total Incidents recorded for the last 3 years			Breakdown of 2018-2019 data by occupation				
	2018-2019	2016-2017	2017-2018	Trend	Contractor(s)	Employee	Employee - Agency	Other
Challenging Behaviour	413	61	87	↑		244	30	139
Slipped, Tripped Or Fell On The Same Level	187	29	22	↑		41	5	141
Physically Assaulted By A Person	182	18	16	↑	3	129	4	46
Aggression and Violent Behaviour	121	15	11	↑		92	3	26
Near Miss	66	8	7	↑	2	38	2	24
Hit By A Moving, Flying Or Falling Object	46	7	3	↑		21	3	22
Hit Something Fixed Or Stationary	41	3	1	↑	1	11		29
Physical Contact (Not Assault)	41	1	2	↑		14		27
Fell From A Height (State Height in Notes)	34	4	8	↑	1	8		25
Medical Emergency	20	13	18	↑		5		15
Sports Injury	20			↑				20
Contact With Sharp Object	15	3		↑		4	4	7
Feeling faint / Unconsciousness	15	9	7	↑	2	7		6
Seizure	14	26	13	↑				14
Incident Involving a Vehicle	13	5	6	↑		5	4	4
Injured While Handling, Lifting Or Carrying	13	20	8	↑		11		2
Safeguarding Incident	12	9	15	↓		1		11
Faulty Apparatus	9	4	2	↑		5	1	3
Trapped	9		2	↑		3	1	5
Physical injury from an unknown origin	8	3	4	↑		1		7
Burns	7	5	1	↑	1	3	1	2
Incident With Verbal Abuse	6	1	3	↑		2		4
Choking / Asphyxiation	5	1		↑				5
Property Damage	5		3	↑		1	2	2
Self-harm	5	1	1	↑				5
Hit By A Moving Vehicle	4	4	5	↓		3		1

Q1 to Q4 2017-18

Allergic Reaction/Anaphylaxis	3			↑		1		2
Foreign Object in Eye	3	1		↑		2	1	0
Incident With Burglary/Theft/Mugging	3	1	2	↑				3
Incident With Faulty Equipment	3	3	1	↑			1	2
Incident With Threatening Behaviour	3	1	3	↔		2		1
Ingestion of Foreign Object	3			↑				3
Fire Alarm Activated (non emergency)	2	11	2	↔		1		1
Incident With Accidental Property Damage	2			↑		1		1
Indecent Exposure (removal of clothing)	2			↑				2
Injured By An Insect or Animal	2		2	↔		2		0
Security Breach	2	3		↑				2
Trapped By Something Collapsing or Overturning	2		1	↑		1		1
Travel Sickness	2		4	↓				2
Bin Falling off Refuse Truck	1	2		↑				1
Contact With Electricity Or An Electrical Discharge	1			↑		1		0
Contact With Moving Machinery Or Material Being Machined	1	2	2	↓				1
9 Dangerous Occurrence	1	1	4	↓				1
9 Exposure to excessive heat or cold	1	1		↑				1
Exposure To Harmful Gases Or Vapours	1			↑		1		0
Exposure To, Or In Contact With, A Harmful Substance	1	1	1	↔		1		0
Fatality	1	1	1	↔				1
Nosebleed	1		2	↓		1		0
Not Specified	1			↑		1		0
pain in her shoulders and breathless	1			↑				1
Stress	1			↑		1		0
Work Related Illness	1	1		↑		1		0
Electrical Fault			1	↓				
Exposure To Fire		1		↔				
Incident with Vandalism			1	↓				
Smoke/Smoke Inhalation		6		↔				
Total	1356	286	272		10	666	62	618

There has been a big jump in the number of incidents recorded. This is due to greater training on what requires reporting. The top 3 incident types are Challenging Behaviour (413) Slips, Trips and Falls (187); and Physical Assaults (182);

Other includes: Members of the public, service users, visitors, clients, young people volunteers etc.

There were 14 employee RIDDOR incidents and these are illustrated in the table below. The fatal incident, involved a member of the public that passed away in a sheltered housing unit. This was reported to CQC rather than RIDDOR

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Type of Incident	Directorate(s)	Notes	Total Incidents	Employee	Employee - Agency
Aggression and Violent Behaviour	Community	Staff member injured by an aggressive member of the public in the civic building	1	1	
Challenging Behaviour	Schools	Staff member was pushed by a young person who was in a state of high anxiety, and fell to the floor	1	1	
Hit By A Moving, Flying Or Falling Object	Community	Staff member was struck by a bin that came off the refuse vehicle.	1	1	
Incident Involving a Vehicle	Community (4)	<ol style="list-style-type: none"> 1. Staff was pushed onto the dashboard of the vehicle as they were exiting, when another vehicle struck the refuse vehicle from behind. 2. Staff slipped when entering the refuse vehicle as the ground was wet. 3. Staff lost control of vehicle due to a medical emergency, when driving around the borough. 4. Staff trapped fingers in the closing side door of a vehicle 	4	3	1
Injured While Handling, Lifting Or Carrying	Schools (1), Community (2)	<ol style="list-style-type: none"> 1. Staff injured whilst undertaking grounds maintenance duties 2. Staff injured whilst completing personal care for a pupil in a school. 3. Staff was injured by lifting refuse bags. The bags were not labelled and contained heavy materials 	3	3	
Slipped, Tripped Or Fell On The Same Level	Community (2), People (1)	<ol style="list-style-type: none"> 1. Staff was pushed to the ground when a student fell on her. 2. Staff twisted foot as they walked out of a storage container 3. Staff fell down after stepping of a curb between two vehicles 	3	3	
Trapped	Community	Staff trapped their fingers in the tail lift when loading items onto it.	1	1	
Total			14	13	1

Community- Employees Q1 to Q4 2017/18

Type of Incident	Total Incidents recorded for the last 3 years			Trend	Breakdown of 2017-2018 data by occupation			
	2018-2019	2016-2017	2017-2018		Contractor(s)	Employee	Employee - Agency	Other
Challenging Behaviour	87	61	87	↑		19	23	45
Slipped, Tripped Or Fell On The Same Level	44	29	22	↑		15	5	24
Medical Emergency	11	13	18	↓		2		9
Incident Involving a Vehicle	10	5	6	↑		4	4	2
Near Miss	9	8	7	↑	2	1	2	4
Physically Assaulted By A Person	9	18	16	↓	3	2		4
Aggression and Violent Behaviour	7	15	11	↓		5		2
Contact With Sharp Object	7	3		↑		3	3	1
Feeling faint / Unconsciousness	7	9	7	↔	1	3		3
Faulty Apparatus	6	4	2	↑		2	1	3
Hit Something Fixed Or Stationary	6	3	1	↑		5		1
Fell From A Height (State Height in Notes)	5	4	8	↓	1	2		2
Safeguarding Incident	5	9	15	↓				5
Incident With Verbal Abuse	4	1	3	↑		1		3
Injured While Handling, Lifting Or Carrying	4	20	8	↓		4		0
Seizure	4	26	13	↓				4
Trapped	4		2	↑		3	1	0
Foreign Object in Eye	3	1		↑		2	1	0
Hit By A Moving, Flying Or Falling Object	3	7	3	↔		3		0
Incident With Burglary/Theft/Mugging	3	1	2	↑				3
Incident With Faulty Equipment	3	3	1	↑			1	2
Property Damage	3		3	↔			2	1
Burns	2	5	1	↑		1	1	0
Fire Alarm Activated (non emergency)	2	11	2	↔		1		1
Hit By A Moving Vehicle	2	4	5	↓		2		0
Incident With Accidental Property Damage	2			↑		1		1
Incident With Threatening Behaviour	2	1	3	↓		1		1
Nosebleed	2		2	↔		1		1

Security Breach	2	3		↑				2
Self-harm	2	1	1	↑				2
Travel Sickness	2		4	↓				2
Bin Falling off Refuse Truck	1	2		↑				1
Dangerous Occurrence	1	1	4	↓				1
Exposure To, Or In Contact With, A Harmful Substance	1	1	1	↔		1		0
Fatality	1	1	1	↔				1
Ingestion of Foreign Object	1			↑				1
Injured By An Insect or Animal	1		2	↓		1		0
Choking / Asphyxiation		1		↔				
Contact With Moving Machinery Or Material Being machined		2	2	↓				
Electrical Fault			1	↓				
Exposure to excessive heat or cold		1		↔				
Exposure To Fire		1		↔				
Incident with Vandalism			1	↓				
Physical Contact (Not Assault)		1	2	↓				
Physical injury from an unknown origin		3	4	↓				
Trapped By Something Collapsing or Overturning			1	↓				
Work Related Illness		1		↔				
Totals	268	280	272		7	85	44	132

The number of incidents in this directorate has dropped very slightly (2017-2018 = 272, compared with 2018-2019 = 268). Challenging behaviour (87), Slips trips and falls (44) and Medical emergencies (11) have remained the top 3 incident types. This is in line with the data from last year.

People – Employees Q1 to Q4 2017/18

Type of Incident	Total incidents recorded for the last 3 years			Trend	Breakdown of 2018-2019 data		
	2018-2019	2016-2017	2017-2018		Employee	Employee - Agency	Other
Challenging Behaviour	20	4	4	↑	9	3	8
Slipped, Tripped Or Fell On The Same Level	16	10	7	↑	2		14
Aggression and Violent Behaviour	10	7	21	↓	4		6
Physically Assaulted By A Person	6	5	6	↔	1		5
Hit Something Fixed Or Stationary	3		5	↓			3
Near Miss	3	8	9	↓			3
Hit By A Moving, Flying Or Falling Object	2			↑	1	1	0
Physical Contact (Not Assault)	2	2	3	↓	1		1
Safeguarding Incident	2	3	3	↓	1		1
Burns	1	2	2	↓			1
Choking / Asphyxiation	1	1		↑			1
Contact With Sharp Object	1	3	2	↓		1	0
Exposure to excessive heat or cold	1			↑			1
Exposure To Harmful Gases Or Vapours	1			↑	1		0
Feeling faint / Unconsciousness	1	1	1	↔	1		0
Fell From A Height (State Height in Notes)	1	1	3	↓	1		0
Incident With Threatening Behaviour	1			↑	1		0
Ingestion of Foreign Object	1			↑			1
Injured By An Insect or Animal	1			↑	1		0
Injured While Handling, Lifting Or Carrying	1	4	5	↓			1
pain in her shoulders and breathless	1			↑			1
Seizure	1	2		↑			1
Self-harm	1	1		↑			1
Work Related Illness	1		1	↔	1		0
Contact With Hot Surface		1		↔			
Dangerous Occurrence		1		↔			
Electrical Fault		1		↔			
Exposure To Fire			2	↓			
Exposure To, Or In Contact With, A Harmful Substance		2	2	↓			
Faulty Apparatus		1		↔			

Q1 to Q4 2017-18

Foreign Object in Eye			1	↓			
Incident Involving a Vehicle		2		↔			
Incident With Burglary/Theft/Mugging			1	↓			
Incident With Faulty Equipment			1	↓			
Incident With Verbal Abuse				↔			
Nosebleed		1	1	↓			
Physical injury from an unknown origin		1		↔			
Property Damage				↔			
Stress		1		↔			
Trapped		1		↔			
Totals	79	66	80		25	5	49

The number of incidents has lowered slightly compared to last year. The main area reported to the corporate health and safety services related to Challenging behaviour (20).

Other includes: Members of the public, service users, visitors, clients, young people volunteers etc.

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Regeneration and Planning – Employees Q1 to Q4 2018/19

Type of Incident	Total Incidents recorded for the last 3 years			Trend	Breakdown of 2017-2018 data by occupation
	2018-19	2016-2017	2017-2018		Employee
Fell From A Height (State Height in Notes)				↔	1
Incident With Verbal Abuse			1	↓	1
Total		0	1		1

No reports for this year were received.

Resources and Commercial - Employees Q1 to Q4 2018/19

Type of Incident	Total incidents recorded for the last 3 years			Trend	Breakdown of 2018-2019 data		
	2018-2019	2016-2017	2017-2018		Contractors	Employee	Other
Slipped, Tripped Or Fell On The Same Level	6	1	3	↑		1	5
Feeling faint / Unconsciousness	4	1	3	↑	1	3	
Medical Emergency	2	4		↑		1	1
Physical Contact (Not Assault)	2			↑			2
Aggression and Violent Behaviour	1	1	1	↔			1
Fell From A Height (State Height in Notes)	1	1	1	↔		1	
Hit Something Fixed Or Stationary	1			↑			1
Near Miss	1			↑			1
Trapped	1			↑			1
Allergic Reaction/Anaphylaxis		1	2	↓			
Choking / Asphyxiation			1	↓			
Hit By A Moving, Flying Or Falling Object		1	2	↓			
Nosebleed		1	1	↓			
Smoke/Smoke Inhalation		2		↔			
Totals	19	13	14		1	6	12

There were low numbers of incidents reported to the corporate health and safety service. There has been a slight increase in number of reports that have been submitted. The main areas relate to Slips Trips and Falls (6), Feeling Faint/Unconsciousness (4) and Medical emergency (2)

School's - Employees Q1 to Q4 2017/18

Type of Incident	Total incidents recorded for the last 3 years			Trend	Breakdown of 2018-2019 data			
	2018-2019	2016-2017	2017-2018		Contractors	Employee	Employee - Agency	Other
Challenging Behaviour	307	26	27	↑		217	4	86
Physically Assaulted By A Person	167	22	23	↑		126	4	37
Slipped, Tripped Or Fell On The Same Level	121	106	100	↑		23		98
Aggression and Violent Behaviour	103	18	13	↑		83	3	17
Near Miss	53	3	6	↑		37		16
Hit By A Moving, Flying Or Falling Object	41	25	26	↑		17	2	22
Physical Contact (Not Assault)	37	18	20	↑		13		24
Hit Something Fixed Or Stationary	31	21	16	↑	1	6		24
Fell From A Height (State Height in Notes)	27	13	17	↑		4		23
Sports Injury	20	26	32	↓				20
Seizure	9	7	6	↑				9
Injured While Handling, Lifting Or Carrying	8	9	11	↓		7		1
Physical injury from an unknown origin	8	2	1	↑		1		7
Contact With Sharp Object	7	8	7	↔		1		6
Medical Emergency	6	11	22	↓		2		4
Safeguarding Incident	5		1	↑				5
Burns	4	1	3	↑	1	2		1
Choking / Asphyxiation	4			↑				4
Trapped	4	6	3	↑				4
Allergic Reaction/Anaphylaxis	3	1	1	↑		1		2
Faulty Apparatus	3	3	1	↑		3		0
Feeling faint / Unconsciousness	3	11	4	↓				3
Hit By A Moving Vehicle	2	3	3	↓		1		1
Incident Involving a Vehicle	2	1	2	↔		1		1
Incident With Verbal Abuse	2			↑		1		1
Indecent Exposure (removal of clothing)	2			↑				2
Property Damage	2	1	1	↑		1		1
Self-harm	2			↑				2
Trapped By Something Collapsing or Overturning	2			↑		1		1
Contact With Electricity Or An Electrical Discharge	1	1	1	↔		1		0

Contact With Moving Machinery Or Material Being Machined	1			↑				1
Ingestion of Foreign Object	1			↑				1
Not Specified	1			↑		1		0
Stress	1		1	↔		1		0
Contact With Acid		1		↔				
Contact With Hot Surface				↔				
Exposure To, Or In Contact With, A Harmful Substance		3	2	↓				
Foreign Object in Eye		2	2	↓				
Incident With Faulty Equipment		1		↔				
Infectious disease		2	1	↓				
Injured By An Insect or Animal		1		↔				
Injured While Trampolining				↔				
Nosebleed		1	2	↓				
Totals	990	354	355		2	551	13	424

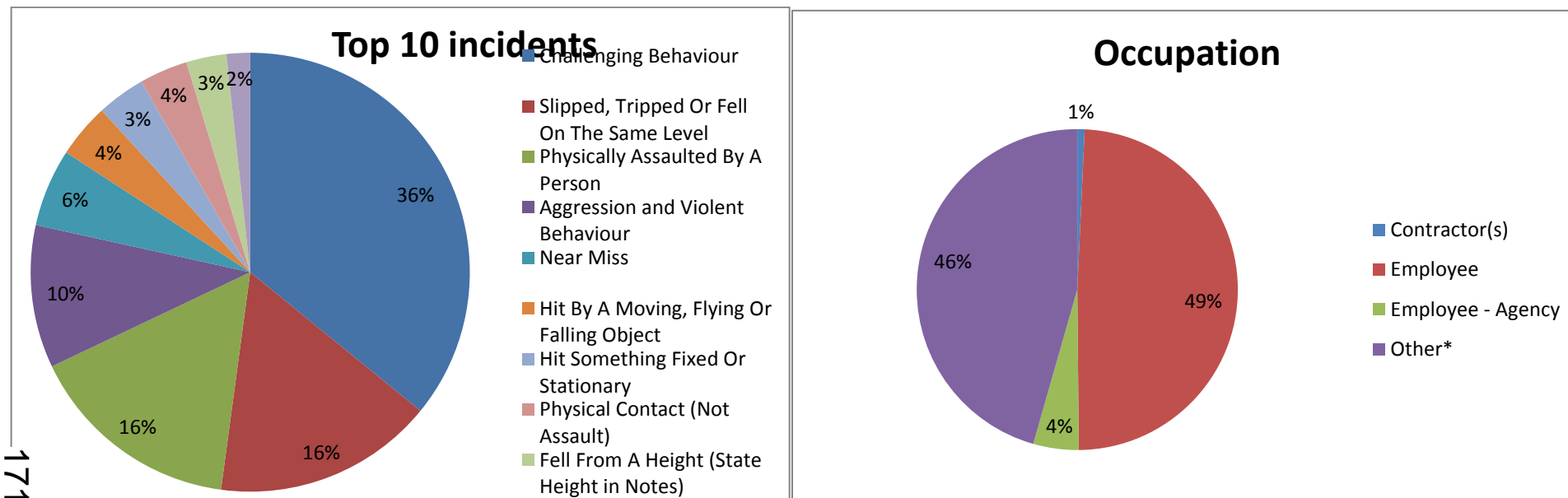
This year there has been a large jump in the number of incidents recorded. The main areas related to; Challenging Behaviour (307), Physical Assaults (167) and Slips, Trips and Falls. which is not unexpected in the service area concerned. There have been 15 RIDDOR reportable incidents in total. Only 5 of which involved an employee.

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Other refers to: Members of the public, service users, visitors, clients, young people volunteers etc. Property damaged by graffiti sprayed on school property.

All Directorates Incidents – Q1 to Q4 2018/19

Below are the top 10 incidents of this year and the top occupations involved.

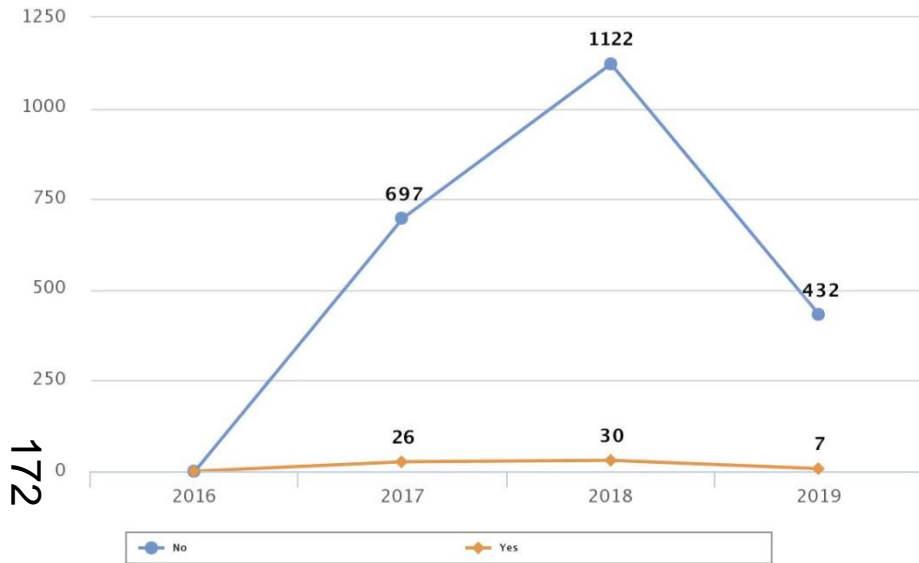


The largest amount of incidents overall comes from non Harrow Employees (46%). This has not changed since last year. The vast majority of these reports are for minor injuries. These numbers remain high due to encouragement of Corporate Health & Safety to report all incidents and accidents, including near misses, through the SHEAssure software.

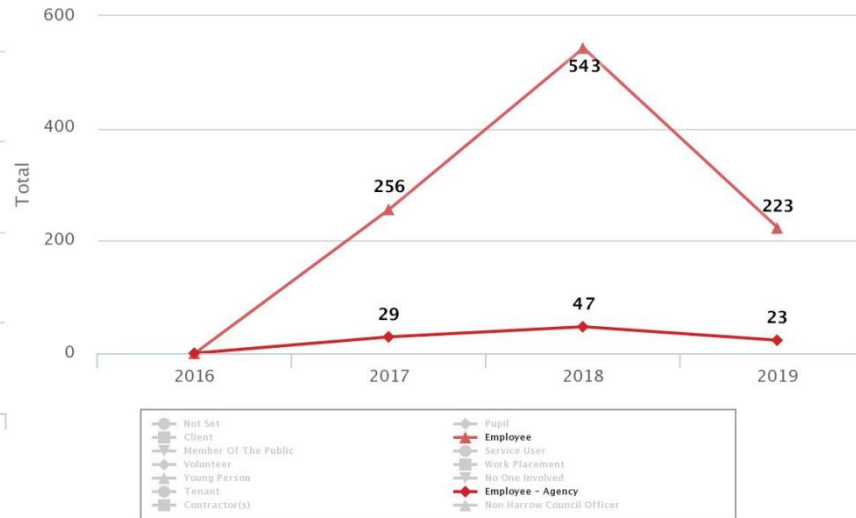
APPENDIX 2 - TRENDS

Over the past couple of years the total number of RIDDOR Reportable incidents has reduced. The total number of accidents however has gone up slightly (from 691 in 2016 to 696 in 2017). The number of incidents involving employees and agency employees is going down (256 for employees and 29 for agency employees in 2017 v 288 employee incidents and 36 agency incidents in 2016)

Incident Record – Date Range – RIDDOR Reportable?



Incident Record – Date Range – Who Was Involved



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APPENDIX 3 – HEALTH & SAFETY STRATEGY



OCCUPATIONAL HEALTH AND SAFETY STRATEGY

2019 - 2022

Corporate and Council Housing

Provision of service of:

- **Health & Safety**
- **Fire Safety**
- **Asbestos Management,**
- **Occupational Health Management**
- **Employees Assistance**

	Name	Signature	Date
Prepared by:	John Griffiths		22/02/2019
Checked by:	Richard Lebrun		
Approved by:	Paul walker		
Document Title:	OCCUPATIONAL HEALTH & SAFETY STRATEGY 2019 - 2022		
Version Number:	1	Date of Next Review:	01/04/2020

Occupational Health and Safety Strategy

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MANAGEMENT SUMMARY

It is essential to the achievement of our strategy for Health and Safety to ensure that access to the right knowledge, skills, and support is available to staff not only when, but also before, they need it, and that this is widely communicated and understood to achieve a culture of health and safety excellence. Key to achieving this is the actions and support of the Corporate Health and Safety Team through continuous improvement and maintenance of the safety management system (SMS) by qualified and competent safety practitioners.

In line with best practice the strategy and model for the safety management system follows the precepts laid down in the Health and Safety Executives guidance 'Managing for health and safety (HSG (65))'. The strategy therefore is based on the principles of the Plan, Do, Check, Act approach and aims to achieve a balance between the systems and behavioural aspects of management. It also builds in health and safety management as an integral part of good management generally, rather than as a stand-alone system.

To achieve this, in addition to providing systems for policies, organisation planning, arrangements, training, communication and measurement there are clear objectives and monitoring of performance by the Corporate Health and Safety Team through health and safety management plans and proactive audit programmes.

In addition, the strategy looks to ensure all Directors, Managers, Department Management Teams and Service Managers lead by example by demonstrating best practice in health and safety management and ensuring whenever possible, that all management decisions further health and safety objectives.

This strategy is intended to incorporate the whole Council; it is about effective partnerships between managers, staff and unions who are all crucial to successful health and safety management. Poor health and safety management is rarely the result of malicious intent. Support by professional safety practitioners, training in health and safety skills and risk management are key to achieving a strong health and safety culture which benefits all staff, service users, pupils, visitors and contractors who work in our premises, and improves the quality of our service.

INTRODUCTION

The Health and Safety at Work etc Act 1974 places overall responsibility for health and safety with the employer. In this case the employer is Harrow Council and the expectation is that health, safety and wellbeing are, in turn, the responsibilities of the Chief Executive and Board of Directors. In respect of matters pertaining to Health, Safety, Welfare, Asbestos Management, Wellbeing and Occupational Health; the Chief Executive of Harrow Council is the Duty Holder.

Where suitable and sufficient competent advice and support is not available in organisations there will be clear failings in meeting legal requirements and hence considerable exposure to risk of prosecution to individuals and the organisation. Furthermore, there is additional exposure to moral failings, the cost of expensive litigation and reputational damage.

The Council's corporate Health and Safety Team provides a Health & Safety, and Fire advisory service. Asbestos Management is managed by facilities management that facilitates risk reduction and helps develop or sustain inbuilt safety management. This should form part of the organisational management system that enables achievement of legal requirements. Specifically, as experienced practitioners, the teams are used to dealing with the processes undertaken by the local authority; they are experienced in the application and requirements of legislation and how it can be effectively applied judicially in this arena. In addition, provision of a comprehensive occupational health service with employee counselling and support service enables the Council to facilitate the well-being of all their employees.

The Council achieves its obligations in a number of ways that includes; a comprehensive system of occupational health support, employee counselling service, asbestos plans and surveys, safety processes, policies, guidance etc. Moreover, they can provide the, more intangible, experienced competent advice tailored to support the organisation.

This document sets out the strategy for Health and Safety, asbestos management and Fire Safety for Harrow Council for the three years between 2019 and 2022. It aims to build on the work already achieved to date in improving the health and safety management systems across the Council and thereby reduce illness, ill-health damage and loss, whilst continuing to deliver services to the people within the London Borough of Harrow.

1.0 BACKGROUND

In recent years legislation has reinforced the need for organisations to ensure effective management of safety, health, wellbeing, fire and asbestos. The Health and Safety Offences Act 2008, has increased penalties and provides courts with greater sentencing powers for those who break health and safety law. The Corporate Manslaughter and Corporate Homicide Act 2007 has meant organisations can be found guilty of corporate manslaughter as a result of serious management failures resulting in a gross breach of a duty of care.

Statutory obligations for health and safety arrangements can be found in the Health and Safety at Work etc Act 1974 and Management of Health and Safety at Work Regulations 1999 - specifically regulations 5 and 7 that refer to the need for competent advice and ensuring a suitable and sufficient safety management system exists (see also the Health and Safety Executive (HSE) HSG 65 Guidance).

The HSE, although the enforcing authority, are keen to point out that the many employers who do manage health and safety and wellbeing well, have nothing to fear from legislative requirements.

Harrow Council achieves high standards through the use of an occupational health provider and established in-house services for health and safety. Harrow Councils Corporate Health and Safety Team consist of a three professional experienced, qualified safety practitioners. The team are fully aware of the impact and need for competent advice to ensure effective delivery of a health and safety management system.

1.1 The Current Situation

Corporate Health and Safety sits within the Community and Public Protection Service, being three members of staff with responsibility for the overseeing of the corporate health and safety system and provision of advice.

Occupational Health remained part of the function of the Human Resources Team, including the provision of service by Health Management Ltd (HML) which oversees fitness to work and vaccinations.

In terms of the Corporate Health and Safety Board, this is chaired by the Corporate Director for Community.

The Corporate Director for Community launched a refresh of health and safety within the council, setting up a new meeting hierarchy that put the frontline staff at the heart of health and safety in their areas through the use of safety teams.

The safety teams are a joint worker management team that assists the employer in creating and maintaining a safe workplace. The goal of the team is to enhance the ability of workers and employers to resolve safety and health concerns reasonably and co-operatively.

The strategy seeks to replicate joint worker safety across all directorates and all levels of the council.

The Council Corporate Health and Safety Team have three health and safety advisers that provide an advisory service that covers corporate and schools.

Together the team provides a comprehensive Safety Management System that provides organised processes with planning, policies, monitoring and ongoing review; a wide range of advice, guidance and assistance that includes: management of Asbestos, Occupational Health, Well Being, Health and Safety, Welfare and Fire Safety across the whole Council.

The Corporate Health and Safety Team comprehensive Safety Management System ensures that the Council reduces health and safety risks across the board. This, in turn ensures we meet with statutory obligations, minimise costs from losses or civil litigation and fulfil our moral obligations to all those affected by our undertaking which includes; employees, contractors, school pupils, those who visit, play or use corporate premises, or live in Council Housing. We do this by:

- Ensuring that health and safety remains a vital part of standard management practice across the Council and provide planning for this to be achieved;
- Providing information, advice and training to all employees to help them stay safe at work and understand their own responsibilities to themselves and others;
- Developing strategic and operational initiatives and reviews that properly address any Health, Safety or Fire related risks associated with Council Housing, Council operations, schools and premises;
- Ensuring provision of an Occupational Health Service for all employees;
- Ensuring that risk assessment remains the process by which hazards are identified and risks arising are eliminated or adequately controlled;
- Monitoring standards by undertaking; audits, inspections, asbestos surveys, investigating significant accidents and incidents and providing interpretation of Health and Safety legislation that impacts on the Council;
- Management that ensures protection from exposure to asbestos in or near any of our premises.
- Monitoring of contractors for Health and Safety particularly with regard to Council Housing.
- At the start of each new financial year set out a Corporate Health and Safety Plan detailing the planned programme of auditing that designated safety advisers will undertake.

In all cases, the primary intention is to utilise resources in a way that assists with the development and implementation of systems that proactively reduces risk and gives feedback on performance **before** an accident, incident or ill health.

2.0 Corporate Health and Safety Governance Overview

The Council Corporate Health & Safety Policy clearly sets out roles and responsibilities to meet the needs of health and safety.

To ensure a successful culture is the responsibility of all management. To this end, all Heads of Service shall be the primary lead for health & safety in their services, with a nominated person acting as safety representative for that service. This is in conjunction with any Union Health & Safety representative.

Safety circles have been introduced as a means of communication and tackling safety issues at the most appropriate level. They will be chaired by the Safety Circle Lead and involve staff and representatives of all of the services represented. Heads of Service should ensure that suitable representatives are nominated and that all risk areas covered. These meetings shall take place as a minimum every 2 months.

The purpose of these meetings is to:

- Involve managers and employees in achieving a safe and healthy workplace.
- Review safety-related incidents, audits
- Review management and Corporate H&S audits of the workplace, communicate identified hazards, and recommend immediate methods for eliminating or controlling them.
- Introduce and assist with workplace safety and health initiatives and recommend improvements to management.

The Safety Circle is a space to share information and discuss specific risks in the service areas represented and maintain a record of issues raised and actions completed.

All actions shall be recorded on the SHE Assure software, with clear timescales. A review will take place at the directorate management meeting to ensure actions are being followed up and information fed into the directorate risk registers monthly.

Updated risk registers and any areas of key risks are raised quarterly to the Directorate Joint Committee for discussion, including with Unions. Decisions to escalate to the Corporate Health & Safety Board shall be made at this point. All actions recorded on the SHE Assure software.

The Corporate Health & Safety Board will meet on a quarterly basis and will:

- Sign off all health & safety risk registers;
- discusses areas of concern and
- agrees items for future agenda items / areas of concern for DMTs and Safety Circles

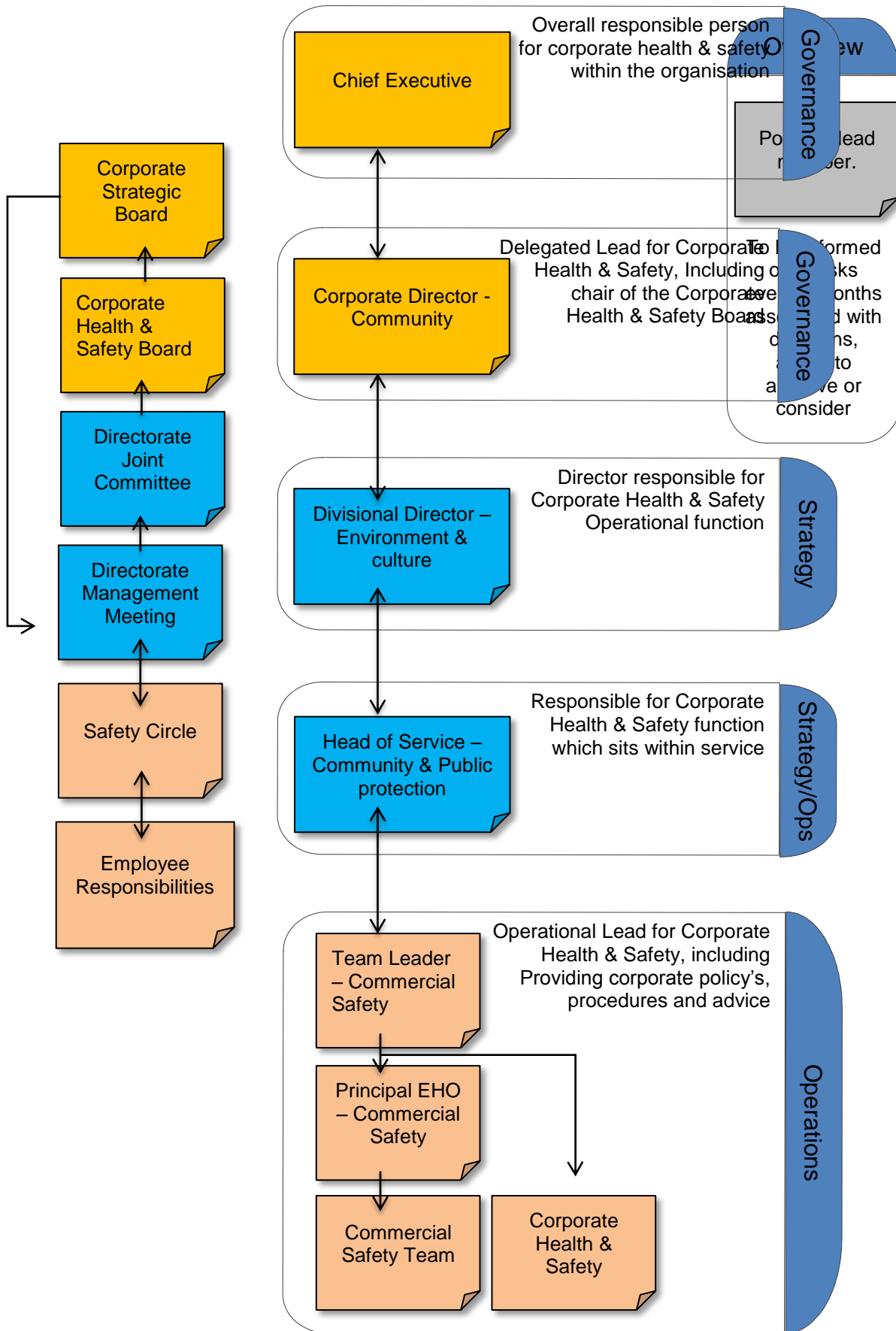
Minutes of Corporate Board sent to Corporate Strategic Board and loaded onto SharePoint software. CSB will have the overview of corporate Health & Safety and Occupational Health / Wellbeing, and co-ordinate joint approach.

CSB retains overall governance of corporate health & safety, ensuring the aims and objectives are being met. They shall discuss any areas of concern and identify any issues they want to know more about or provide direction where needed.

Any actions resulting from CSB shall be recorded on the Assure SHE software and fed back to DMTs for action.

The Corporate Health & Safety Team shall oversee the process including being the administrators of the Assure SHE software. They shall also provide the relevant statistics and information to inform safety circles, directorate meetings and the corporate health and safety board

Meeting Structure



3.0 PRIORITIES AND AIMS FOR 2019 - 2022

Over many years the Corporate Safety Team has committed time and resource towards developing a comprehensive set of Corporate Health and Safety policies and supporting guidelines which are kept under review and audited against. These systems and procedures enable departments, in turn, to ensure the development of the necessary health and safety documentation that meets as minimum, statutory obligations together with corporate policies. To build on this, the following priorities are highlighted for the next three years:

a) ***Maintaining and improving the Council's safety management system***

Through supporting the Executive Management Team, Departmental Management Team, managers, with review and monitoring process which support initiatives, remediation and decision making.

b) ***Completing a series of audits, risk assessments and surveys***

This includes schedules for the following health, safety and fire processes:

- Internal fire and health & safety audits on identified teams, premises and processes for corporate and council housing buildings
- Audits in schools and children centres.
- Fire Risk Assessments for corporate, schools and council Housing.
- Fire Risk Audits for Corporate buildings.

c) ***Maintaining an Asbestos survey programme***

To locate, assess and monitor the condition of asbestos containing materials within the council's corporate and Council Housing portfolio with schedules which includes:

- Corporate Asbestos survey programme
- Council Housing Asbestos survey – common parts (statutory) and void dwellings
- Schools asbestos survey programme (statutory)
- Asbestos awareness training
- Reactive response to Refurbishment & Demolition surveys and incidents

d) ***To support managers and staff in achieving suitable levels of health & safety competency;***

Effective management of health and safety involves people using their skills and knowledge to work safely. A fundamental requirement is for all managers to undertake British Safety Council Training to provide them with a solid grounding in the requirements of Occupational Health and Safety legislative requirements. Undertaking computer based training modules will ensure knowledge is continually professionally developed and reinforced. This will in turn help ensure managers have the basic skills to identify the health and safety competency needed by their staff.

e) To ensure the Occupational Health Service continues to provide adequate health surveillance, return to work rehabilitation, health promotion and reduction of work-related sickness absence;

The Council will continue to work in close partnership with its appointed Occupational Health Service provider to ensure the most efficient use of service resources.

f) To build on the communication and consultation arrangements to ensure staff are fully involved and committed to achieving acceptable health and safety standards;

To achieve success in health and safety management, there needs to be effective communication up, down and across the Council. Front line staffs are involved in communication primarily through the risk to their health and safety identified in their risk assessments, and the preventive and protective measures necessary to control risk. This is supported with safety circles, tool box talks that reinforce a process for direct consultation. Further to this, other means of communication include newsletters, and the council intranet.

At a more strategic level; all Directorates are to have effective health and safety committees with Executive Director Representation on the Corporate Health and Safety Committee. Representatives of each Directorate are expected to attend a Corporate Health and Safety Committee that now has a corporate lead (Corporate Director of Community) and steer on health and safety.

g) To encourage greater visible and active leadership on health and safety matters by managers;

Active leadership is essential if the Council is to foster a positive health and safety culture. The Corporate Health and Safety Team have promoted this through making available British Safety Council training courses for both Senior Managers/Directors and those who managed staff.

h) To align health and safety more closely with the overall Risk Management arrangements;

The Councils Risk Management Strategy aims to establish a culture where risks are understood and managed. Health and Safety management aims to ensure risks to health and safety are identified and managed. While Risk Management covers all business risks and is focused on the major risks to the Council, there are areas where the two strategies meet. Health and safety processes and arrangements should therefore be seen and understood as supporting the Risk Management Strategy. Significant health and safety issues identified during risk management assessments will therefore be communicated to the executive board.

i) To ensure good health and safety practice in our relationships with partners;

As well as setting out to improve our own health and safety performance, the Council will work with its partners to improve health and safety overall in the delivery of its services. The aim will be to share knowledge and experience and at the same time provide managers overseeing contracts with feedback on safety standards.

3.1 Monitoring Progress Against Aims & Priorities

A number of proactive measurement activities take place to monitor safety performance for the Council. These measures are set out with performance targets in the Corporate Health and Safety Management Plan which is agreed by Executive Management Team at the start of the financial year.

The key measures against which progress will be assessed in meeting the strategic aims and priorities are;

- Number of audits and compliance levels achieved
- Number of Fire Risk Assessments and actions completed
- Number of Asbestos surveys completed
- Number of Asbestos re-inspections completed

Other methods of monitoring the success of the safety management system are:

- Review of accidents and statistics and related sick leave.
- Number of staff undergoing health and safety training
- Computer Based Training completed
- Senior managers safety tours completed
- Manager's self- audits completed.
- Health and Safety performance reports
- Action status of items on risk registers

4.0 HEALTH AND SAFETY MANAGEMENT SYSTEMS

The Management of Health and Safety at Work Regulations 1999 – Regulation 5 - requires Harrow Council to have arrangements in place for managing health and safety. Like any management system, it is essential that the Council collects information on the system implemented if it is to be able to make judgements about its adequacy and performance.

The system followed by the Corporate Health and Safety Team is based on that described in HS(G)65 Successful Health and Safety Management. Diagram 1 illustrates the system showing the main topic headings and the communication flows by which continuous improvement in health and safety management is achieved. Health and safety audits aim to verify compliance with each aspect of the management system:

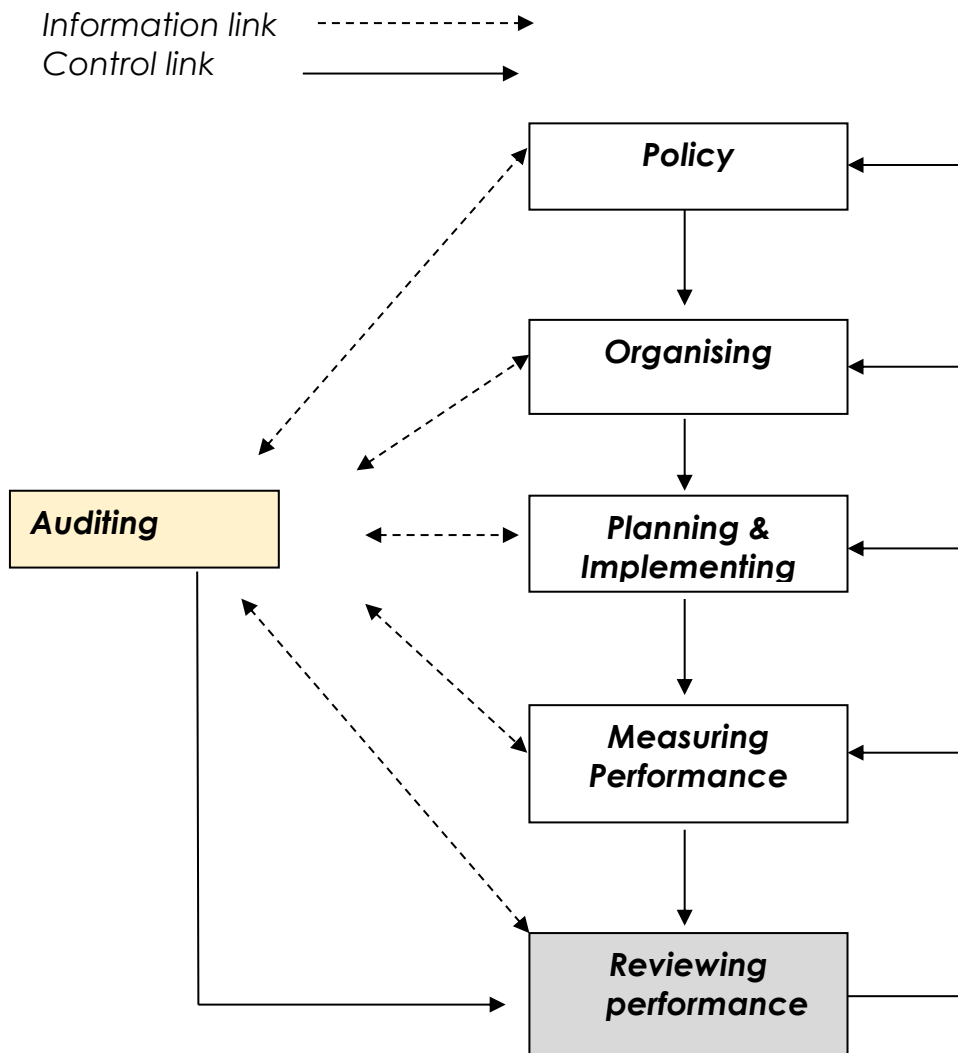


Diagram 1: HS(G)65 Health and Safety Management System Elements

POLICY

Effective health and safety policies set a clear direction for the Council to follow. They contribute to all aspects of business performance as part of a demonstrable commitment to continuous improvement. The Council already has a well-developed set of Corporate Policy Arrangements that are available on the council SHE software system and this is subject of a rolling programme of review.

ORGANISING

The Council needs to ensure that it has an effective management structure and arrangements are in place for delivering its health and safety policies. To achieve success, all staff will need to be motivated and empowered to work safely and to protect their long-term health, not simply to avoid accidents. The Council is currently embarking on developing a safety circle safety culture, ensuring robust health and safety management supports this programme and will better shape the way it deals with health and safety issues in the future. The activities necessary to promote a positive health and safety culture are;

Control

Everyone working in the organisation can contribute to controlling health and safety risks. Control is achieved by getting the commitment of employees to clear health and safety objectives. Managers will need to take full responsibility of controlling factors that could lead to ill health, injury or loss thereby helping to create a positive atmosphere and encouraging a creative and learning culture.

Co-operation

Participation is essential to control risks effectively. By encouraging employee 'ownership' of health and safety policies this will assist with their better understanding that the organisation as a whole, and people working in it, benefit from good health and safety performance.

The Council has a legal obligation to consult with all employees about those health and safety issues in the workplace that affect them. The Council has already fostered good relationships on health and safety matters with its recognised trade unions.

Communication

All managers need to lead by example. Their visible commitment to, and involvement in, health and safety management should be obvious and consistent. They will need to provide regular and reliable information on health and safety to everyone who needs it.

Competence

If Council employees are to make a maximum contribution to health and safety, the Council will need to have in place robust arrangements to ensure that they are competent. Health and safety is already a mandatory competency for all employees.

PLANNING AND IMPLEMENTING

This element concerns the adoption of a planned and systematic approach to implementing the health and safety policy through an effective health and safety management system. The aim is to minimise risks. This strategy provides the framework, against which the Council will judge the adequacy of its health and safety management systems to ensure,

- The mitigation of risks;
- The ability to react to changing demands;
- Sustainability of a positive health and safety culture.

MEASURING PERFORMANCE

The Council needs to measure what it is doing to implement its health and safety policy and to assess how effectively risks are controlled. There are many different types of monitoring, but they can generally be categorised as either 'proactive or reactive'.

- **Proactive** methods monitor the operation of management arrangements and workplace precautions and tend to be preventative in nature, for example; routine inspections and surveys of premises, plant and equipment by staff;
- **Reactive** methods monitor evidence of poor health and safety practice but can also identify better practices that may be transferred to other parts of the organisation, for example, investigating accidents and incidents, monitoring cases of ill health and sickness absence records

Where services are delivered on behalf of the Council via contractor relationships, these activities should also be subject to continual health and safety performance monitoring and review. In such circumstances, the level, nature and frequency of monitoring undertaken will be based on an assessment of risk. Evidence of such systems will be required to enable demonstration of due diligence.

REVIEWING PERFORMANCE

All control systems tend to deteriorate over time. To provide essential feedback and information to managers, on how effectively plans and the components of the health and safety management systems are being implemented, professional safety and health advisers from the Corporate Health and Safety Team carry out a regime of regular auditing and performance review of **premises, teams and processes**. The findings on success and failure are then fed back in to the system and should be acted upon to enable continuous improvement to be made.

5.0 AUDITS (TEAM, PREMISE & PROCESS AUDITS)

5.1 Team Audits:

Team audits are necessary to verify that appropriate safe systems of work are operating across the division. These audits focus in on staff training, team risk assessments and safe systems of work.

The categorisation of teams will be based on:

- **The activities of the team/service** – front facing staff interacting with the public are generally deemed to be at a higher risk to workplace aggression especially when working alone. Similarly, teams using dangerous equipment e.g. chainsaws, abrasive wheels or engaged in high risk activities such as working at height.
- **Where there is thought to be an absence of suitable team assessments and safe systems of work** the team will be targeted.
- **Any other significant hazards** that may be identified.

5.2 Premise Audits:

Premise audits are required to ensure compliance of buildings and assets. These audits focus on statutory requirements and industry good practice relating to aspects of Corporate Landlord. Every corporate building will be audited within an 18 month circle.

The categorisation of premises will be based on;

The physical location;

The location category will be based on known untoward activity in the area of the premises, its remoteness and proximity to essential emergency services.

The use and occupiers of the premise/site,

Use of the building/premises will be based on a sliding scale from office use, being inherently safe, to depots being dangerous because of transport movement. Sites made available to the public especially where there is no onsite supervision will similarly tend to present a higher risk due to factors like vandalism. The amount and variety of mechanical systems in the building will also need to be taken into account, that is water, sanitation, washing systems, air conditioning, (all potential legionella hazards), lifts (goods & passenger) will raise the risk profile on the basis that the more systems the more maintenance is required.

Sites where vulnerable persons reside (i.e. Residential Care and Sheltered Housing Schemes) will need higher levels of oversight,

Any other significant hazards that may be identified.

5.3 Process Audits:

Process audits enable us to identify systemic problems within managed processes and enable effective remediation of risk across boundaries.

The categorisation of processes will be based on;

- **Where there is reliance on contractors to fulfil essential aspects;** for example repair and maintenance contracts,
- **The overall success of the process is dependent on input from several teams;** for example the maintenance of play areas.

6.0 SELF-AUDITS AND SAFETY TOURS

The program of audits carried out by the Corporate Health and Safety team is supported with 'Self-audits' by Managers and 'Safety Tours' by Senior Managers.

The managers 'Self-audit' comprises of question sets and requires reference to sample inspection of documents and a physical inspection of the premises. The senior managers 'Safety tours' are a more general approach relying on observation and talking to staff.

Both audits aim to breach the gap and ensure that all areas of the Council are examined each year. Further information can be found under the Corporate Health and Safety Assure SHE system.

7.0 SERVICE DELIVERY

Corporate Health and Safety Team services will be delivered by fully trained, qualified, experienced competent persons with a detailed knowledge of legislative requirements, good practice and understanding of fire safety, Asbestos Management, Occupational Health Management, Employee Counselling and Health & Safety Law. The teams are able to provide support on wellbeing, health and safety issues that can be applied so not as to be onerous in its application to achieve service aims.

7.1 Health and Safety, Fire and Asbestos Services include:

- **Auditing** - Essential in the first instance to identify shortfalls and recommend course of action to ensure an effective safety management system. The Safety Management System provides robust and comprehensive audits for Premises, Teams and Processes.
- **Policies and Arrangements** – Developed, updated and reviewed Council Corporate Policies, Processes, Guidance & Briefing Notes providing suitable and sufficient, arrangements, information for Managers and Premises controllers to follow for practical application.
- **Risk Assessments** - A comprehensive set of risk assessment processes (including DSE, work, Stress, Manual Handling, New and Expectant Mothers, etc) that are in line with HSE approved systems together with model assessments and advice on their use. The team will also support and assist managers with the production of specific risk assessments.
- **Fire Risk Assessments** - For Council Housing, experienced qualified fire risk assessor will undertake predominantly Type 1 Fire Risk Assessments over a cyclical programme. High priority buildings, Sheltered Housing Schemes, Community Halls and Converted Street Properties) being risk assessed annually whilst Medium/low priority (purpose built blocks are assessed over a two year cycle. Type 4 assessments in high rise void properties will be undertaken as and when suitable properties become available.
- **Advice/Professional support and guidance** - by expert officers for Health, Safety, Asbestos and Fire related issues.

- **Asbestos Management** – The council corporate health and safety team will provide asbestos management policy and guidance, awareness training and offer help in the application of recommended and required management processes. Facilities Management will follow the policy when dealing with asbestos in the corporate buildings and schools
- **Asbestos register** - Access to an on-line asbestos management suite that holds records and surveys for properties surveyed by specialist asbestos surveyors, via facilities management, Council Housing employ an asbestos surveyor.
- **Asbestos Surveying service and Management Plan.** It is a requirement of the Control of Asbestos Regulations 2012 that premises set out in a detailed plan how asbestos is managed. The Council as the Duty holder has this work carried out by a licenced asbestos contractor.
- **Training** - Provision of health and safety and asbestos training from a range of courses by competent staff. Asbestos awareness training is a requirement of the Control of Asbestos Regulations 2012. This is provided to all those in control of premises and those who may be designated as carrying out any work with asbestos or with the planning or arrangement of that work.
- **Access to a Computer Based Training (CBT)** - A wide range of modules including asbestos management, fire safety, health and safety awareness etc. This is provided to reinforce knowledge and act as an easily accessible way to complete refresher training.
- **Accident/ Incident Reporting** - Provision of an on-line system for reporting and maintaining records (Assure SHE software). The reporting system acts as a tool to provide data, graphs and statistics that enables analysis of trends to aid with risk mitigation, defence in litigation and reduces insurance costs.
- **Accident/ Incident Investigation** - All accidents that may be deemed necessary for an officer to conduct a full accident/incident investigation can be advised and supported to ensure a professional approach and documentation.
- **Support, advice and liaison with enforcing authorities are provided.** Experience has shown that liaison with enforcing authorities using safety professionals has resulted in positive outcomes.
- **Site Inspection/ Visit** – A Health and Safety professional are available to attend sites to monitor and advice on specific issues.
- **Violence at work and Lone working systems** – The team will work alongside management in providing a suitable lone working solution.

7.2 Occupational Health Service

The Occupational Health Service provides:

- A Consultant-led team focus on early intervention, executing tried-and-tested approaches that will help to safeguard employees' health and get them back on their feet as quickly as possible.
- Strategies to assist with managing employees more decisively.

- Development of coordinated plans so staff can return to work as soon as possible.
- Employees can visit the Occupational Health providers clinics where required.

8.0 RESOURCE ALLOCATION

A key area of support of the Corporate Health & Safety Team is to undertake external monitoring of the implementation of departmental safety management arrangements. Each Directorate receives a level of professional support from the team of Safety Advisers. The amount of resource allocated to each Directorate is based on the level of risk associated with the undertakings of teams.

A significant amount of work is outsourced to contractors. This equally requires safety monitoring to ensure not only legislative compliance but avoidance of reputational damage. One particular area requiring significant monitoring across the Council concerns compliance with Client duty holder responsibilities under the Construction (Design and Management) Regulations 2015, which takes in construction, repair and maintenance work.

9.0 CORPORATE HEALTH AND SAFETY PLAN 2019/20

Corporate Health & Safety Management Plan 2019 – 2020

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Prepared by:	John Griffiths Corporate Health & Safety and Compliance Manager
Approved by:	Paul Walker Corporate Director of Community
Director's Signature	
Date	1 st April 2019

Section	Objective	Start Date	End Date	Lead	Target	Achieved		Remarks
						Six Months	End Period	
Safety Management								
Senior Managers Safety Tours (Linked to priorities and Aims (A,B,D,G,H,I))	(a) Conduct safety tours of premises/sites within areas of responsibility, a minimum of four a year (quarterly), to ensure the safety and upkeep of the workplaces.	April 2019	March 2020	Directors/HOS	100%			Directors and HOS can jointly carry out workplace inspections
	(b) Record the results of safety tours and submit quarterly returns (Proforma) to Corporate Health & Safety Team for review at Safety Committee and Management Team meetings.	April 2019	March 2020	Directors/AD's	100%			To be discussed at Department Team Meetings at least quarterly and minuted
Management Self Audits (Linked to priorities and Aims (A,B,D,G,H,I))	(a) First line or second line managers/supervisors to carry out one Management Self Audit per year on areas of responsibility.	April 2019	March 2020	First/second Line managers to carry out audits, Directors to ensure audits take place.	100%			Directors to ensure process take place. Where H&S team have audited, these count in lieu of self-audits.
	(b) Management of Self Audits; Managers to remediate actions and provide Directors with information. Directors to maintain record system and report quarterly to Corporate Health & Safety Team	April 2019	March 2020	First/Second Line managers to follow up and ensure actions completed.	100%			Safety Circle Leads to maintain record that this has been carried out by their teams. Information to be sent quarterly to the Directors by team/line manager.
General Health & Safety Control Systems								
Corporate H&S Audits by Department General Audits (Linked to priorities and Aims (A,B,D,H,I))	Create and undertake a schedule of Internal Health, Safety and Fire Safety Audits on identified teams and premises. Focus to be on processes as part of audit where applicable. Overall 24 audits. 12 Corporate and 12 audits in Environment and waste strategy	April 2019	March 2020	Corporate H&S Team	24 audits			Audits will be on high/medium risk as determined by previous audits, use, size and incidents over the last two years of historical data.

Section	Objective	Start Date	End Date	Lead	Target	Achieved		Remarks
						Six Months	End Period	
Schools & Children Centres General Audits (Linked to priorities and Aims (A,B,H))	To start new cycle of audits a minimum of 12 audits, schools and children centres to attend to actions as required.	April 2019	March 2020	Corporate H&S Team	12 audits			Audits will be on high/medium risk as determined by previous audits, use, size and incidents over the last two years of historical data.
Corporate Policies/Committees								
Corporate Policies (Linked to priorities and Aims (A,H,I))	Review Corporate Policies and Guidance documents in light of changing legislation, official guidance, good practice and Council priorities. Identifying where changes required, re-date/reorganise library of documentation on SHE software system. Target minimum of 12 policies.	April 2019	March 2020	Corporate H&S Team	12 fully revised or written policy/guidance documents			Policies will be reviewed on a risk based basis. All new or revised policies must be consulted through the Corporate H&S committee members.
Corporate Health and Safety Committees 194 (Linked to priorities and Aims (A,B,C,F,H,I))	Plan, organise and attend Quarterly H&S Committee Meetings	April 2019	March 2020	Corporate H&S Team, representative's senior managers, Committee Chairman, and Union/safety Representatives.	4			
Fire Control Systems								
Corporate Fire Safety Audits (Linked to priorities and Aims (A,B,H,I))	(a) Conduct a minimum of 10 audits of fire safety, identified as the top high risk corporate premises and managers actions within time scales	April 2019	March 2020	Facilities Management	10			Audits will be on high/medium risk as determined by previous audits, use, size and incidents over the last two years of historical data.
	(b) Conduct a minimum of 20 audits of fire safety on identified schools premises in support of external audit of schools, Head Teachers to address actions within time	April 2019	March 2020	Facilities Management	20			Audits will be on high/medium risk as determined by previous audits, use, size and incidents over the last two years of historical data.

Section	Objective	Start Date	End Date	Lead	Target	Achieved		Remarks
						Six Months	End Period	
Council Housing Fire Risk Assessment (Linked to priorities and Aims (A,B,H,I))	(a) Carryout Fire Risk Assessments in all High Risk Priority common areas (4 or more stories/house) vulnerable persons/community halls and relevant team to attend to actions.	April 2019	March 2020	Council Housing Team.	39 FRAs			
	(b) Carryout Fire Risk Assessments in Low Risk Priority Common areas (Between 1 & 3 stories/purpose built and relevant team to attend to actions.	April 2019	March 2020	Council Housing Team	70 FRAs			
Council Housing Fire Safety Audits (Linked to priorities and Aims (A,B,H,I))	Carryout audits of fire safety at high priority sites:	April 2019	March 2020	Council Housing team	25			
	(a) Audit Sheltered Housing Schemes and relevant team to attend to actions	April 2019	March 2020	Council Housing team.	17			
	(b) Audit Community Halls and relevant team to attend to actions	April 2019	March 2020	Council Housing team.	8			

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Workplace Implementation

Health & Safety Training (Linked to priorities and Aims (B,F,G,I))	(a) Identify suitable Health & Safety training opportunities as identified by department Directors/ Safety Rep's/HOS/safety circle leads.	April 2019	March 2020	Directors and safety Circle leads	40 Trained staff			
	(b) All Directors / Senior Managers to have attended Senior Managers British Safety Council one day Training course.	April 2019	March 2020	Directors/ HOS	100%			Mandatory for all senior managers
	(c) All First Line Managers and Supervisors to attend the two day British Safety Council course.	April 2019	March 2020	Directors/HOS	100%			Mandatory for all managers
Learning POD Training and Development (Linked to priorities and Aims (D,E))	All employees have to complete the following Training. <ul style="list-style-type: none"> Using a Workstation Fire Safety Safety Circle 	April 2019	March 2020	Directors / HOS/Corporate H&S Team/Safety Circle Leads	100%			

Section	Objective	Start Date	End Date	Lead	Target	Achieved		Remarks
						Six Months	End Period	
Asbestos Management								
Corporate Buildings Asbestos Surveys (Linked to priorities and Aims (A,B,C,H))	To carry out asbestos surveys in all corporate buildings.	April 2019	March 2020	Facilities Management	20			To meet employers statutory duties under Regulation 4 of CAR 2012.
	To carry out asbestos re-inspection survey to look at process and verify integrity of asbestos works by contractors, facilities Management to attend to any identified failings.	April 2019	March 2020	Facilities Management.	20			This will ensure processes are working and that we are carrying out a due diligence check.
Community Schools and Schools with SLA Asbestos Surveys (Linked to priorities and Aims (A,C,H))	(a) To review management plans and results from surveys and carry out actions identified. There will be a minimum of 20 schools surveyed with Management Plans. Schools to attend to actions.	April 2019	March 2020	Facilities Management /Head Teachers	20 schools			To meet employers statutory duties under Regulation 4 of CAR 2012 - Community Schools LBE as the Duty Holder
Council Housing Asbestos Surveys (Linked to priorities and Aims (A,B,C,H))	(a) To carry out and manage a Surveys on Housing stock This will be risk based and client directed. Council Housing to attend to required actions.	April 2019	March 2020	Council Housing	275 surveys			To meet employers statutory duties under Regulation 4 of CAR 2012.
Communications								
Corporate Health and Safety Handbook (Linked to priorities and Aims (E,F,G,H,I))	(a) To roll out the new corporate H&S handbook to all employees	April 2019	July 2020	Corporate health and safety	100%			Provide paper and electronic versions.
Communication Channels to promote key health and safety	(b) Safety Circle leads to provide dates and key risks of safety circles. Corporate Health and Safety to provide feedback on key risks to these safety circles.	April 2019	March 2020	Safety circle Leads	At least one a quarter			This will be monitored on SHE Assure

<u>Section</u>	<u>Objective</u>	<u>Start Date</u>	<u>End Date</u>	<u>Lead</u>	<u>Target</u>	<u>Achieved</u>		<u>Remarks</u>
						<u>Six Months</u>	<u>End Period</u>	
performance measures to employees. (Linked to priorities and Aims (F,G,H,I))								
	(c) Corporate Health and Safety to promote key health and safety initiatives via Communications each month by the corporate newsletters.	<i>April; 2019</i>	<i>March 2020</i>	<i>Corporate health and safety team</i>	<i>monthly</i>			
	(d) Corporate Health and Safety Board provide a report on key risks.	<i>April 2019</i>	<i>March 2020</i>	<i>Corporate Health and Safety Board Chair</i>	<i>Quarterly</i>			The corporate Health and Safety Board will meet on a quarterly basis and will discuss areas of concerns/risks to the organisation and agree future agenda items and areas of concern for DMT's and Safety Circles.

APPENDIX 4

Corporate Health and Safety Board Terms of Reference

Aim

The Corporate Health and Safety Board will act on behalf of the Chief Executive as the strategic focus for Health and Safety across the corporate estate, using the Health and Safety Policy Statement as framework for decision making. The Board will ensure the implementation of the policy statement through agreed best practice and development of a Health and Safety management system.

Accountability

The Corporate Health and Safety Board will provide progress reports to the Corporate Strategic Board (CSB).

Objectives

The Corporate Health and Safety Board has the following objectives:

- To provide a forum in which officers and others with specific responsibilities for health and safety, as set out in the Health and Safety Policy, are held accountable for and supported in their actions. These actions are:
- To ensure compliance with the requirements of health and safety legislation and regulations throughout the Council.
- To ensure arrangements for developing health and safety competencies among managers and staff are in place and are being followed.
- To review and approve Council-wide objectives for health and safety, policy and strategies and initiatives for their delivery, in consultation with the Governance, Audit and Risk Management Committee (GARMSC).
- To promote engagement with, and the integration of, health and safety considerations into everyday working practices in Council services.
- To lead on Occupational Health initiatives to promote well-being and stress management as part of the wider health & wellbeing agenda.
- To develop and oversee the development, implementation and regular updating of the Council's strategic and operational health & safety risk register.
- To set and monitor performance indicators/standards for health and safety and monitor the Council's arrangements for monitoring
- To commission audits and reviews of health and safety management systems, policies and procedures.
- To receive reports and feedback from Directorate Health and Safety Meetings or other relevant forums, groups or committees, as well as provide direction and information back to them as relevant.
- To consider reports on accidents and/or incidents, complaints and work related ill health statistics in order to identify any emerging trends or patterns.
- To consider reports on visits, inspections or any enforcement action taken by the Health and Safety Executive, the London Fire & Emergency Planning Authority and other enforcing authorities.

Representatives

The Corporate Health and Safety Board will be chaired by the Corporate Director Community with responsibility for establishing and implementing a strategic framework for the Health and Safety committees in each Directorate to achieve the aims set out above.

The Board shall consist of a nominated Divisional Director representative from each Directorate, a nominated Senior HR representative, representatives from the Unions and supported by the Corporate Health and Safety Team.

All representatives on the Board will have a voice in decision making. The chair / vice chair shall have the casting vote if the matter cannot be resolved by unanimous agreement. In matters that cannot be resolved, they will be passed to the Corporate Strategic Board, as the most senior strategic forum chaired by the Chief Executive, or Employee Consultative Forum (ECF) should it not be feasible to make a decision. The Unions retain the right to escalate matters of concern to an ECF Sub-Group / ECF in line with the consultative framework of the Council and Trade Union Recognition Agreements.

When a representative cannot make the meeting, a nominated person of sufficient grade shall attend and represent them

Duties of the chair

- Schedule regular Board meetings.
- Develop written agendas for conducting meeting.
- Maintain and action plan and log of decisions
- Conduct the meeting.
- Approve Board correspondence and reports.
- Supervise the preparation of meeting minutes.

Duties of the vice-chair

- In the absence of the chair, assume the duties of the chair.
- Perform other duties as directed by the chair.

Conduct of the Board

The Chair is responsible for ensuring that the Board meets on a monthly basis to resolve issues and take forward the objectives and aims as set out in this document.

The Board should not be cancelled or postponed except in exceptional circumstances. If any member of the Board cannot attend a deputy shall attend in their absence. If the meeting has to be postponed, a date for the next meeting should be agreed and announced as soon as possible by the Chair.

The minutes of each meeting will be supplied to every Board member once agreed by the Chair as soon as possible after the meeting, and be made available on the intranet once agreed.

A copy of the agenda and any accompanying papers should be sent to all members at least one week before each meeting.

Consultation

The Board actively supports and participates in the consultative arrangements in line with Safety Representatives and Safety Committee Regulations 1977 as amended by the Health and Safety (Consultation with Employees) Regulation 1996 and the Management of Health and Safety at Work Regulations 1999

All Corporate Health and Safety Policies and Procedures shall be presented to the Corporate Board for consultation and agreement of any other party that needs be involved. Comments will be provided within a 4 week consultation period, will be collated by the Corporate Health and Safety Team, and discussed at the next Corporate Board for final sign off.

Directorate Health & Safety Board

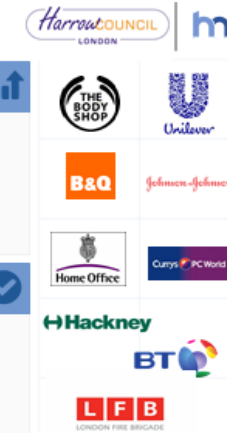
The Corporate Health & Safety Board will feed into, and receive information and referrals from, the Directorate Health & Safety Boards, of which there will be three. The three Directorate Health & Safety Boards shall be chaired by Director (Environment & Culture) for Community Directorate, Head of Finance for Resources Directorate and Divisional Director (Educational Services) for People Directorate.

These Directorate Health & Safety Boards shall be held quarterly and minutes and actions fed back to the Corporate Health & Safety. Key themes / agenda items will be determined from the Corporate Health & Safety Board, as well as be influenced by the needs of the services. These Directorate Boards shall be run as per the principles of the Corporate Health & Safety Board Terms of Reference.

Appendix 5 – Occupational Health Overview 2018-19

About us: Years of Experience

<p>Leading OH provider In the UK ★</p> <ul style="list-style-type: none"> 500 clients, with: combined employee base of 2.5m 95% client retention rate Exceptional track record working with complex corporate clients 	<p>National reach ↑</p> <ul style="list-style-type: none"> 750 members of staff, of which: 450 are health professionals 260 HML & Partner clinics
<p>Reputation for clinical excellence 🏥</p> <ul style="list-style-type: none"> Operate to SEQOHS / ISO9001 / ISO27001 standards Accredited by Care Quality Commission Chief Medical Officer appointed as strategic/clinical lead 	<p>Years of Experience ✓</p> <ul style="list-style-type: none"> With over 15 years of experience in OH 5 years as a part of MAXIMUS, a global provider of health and employment services



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Services to LB Harrow

Contract extended on framework to 30th April 2020



Sickness absence management referrals	394 per year
New starter health questionnaires	501 per year
Ill health retirement assessments	27 per year
EAP and Psychological services	Separate report available via Workplace Wellness
Workstation assessments	1 per year
Physiotherapy	4 per year
Online portal access – referral and case management	
Chief Medical Officer support	
Nationwide Access to the Telephone Advice Line	

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Management referrals by division



Total Management Referrals by Division

DIVISION	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Community	10	9	2	5	15	9	11	8	5	0	0	0	74
People	9	1	6	3	4	1	8	7	2	0	0	0	41
Regeneration and Planning	0	0	0	1	0	0	0	0	1	0	0	0	2
Resources and Commercial	5	4	3	4	5	3	13	6	3	0	0	0	46
Schools	10	20	21	4	1	12	17	19	15	0	0	0	119
Totals for year commencing April 2018	34	34	32	17	25	25	49	40	26	0	0	0	282
Totals for year commencing April 2017	37	29	20	22	14	16	39	35	18	34	28	27	319

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Health Assessment questionnaires by division



DIVISION	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Community	0	1	1	14	6	1	2	1	2	1	0	0	29
People	0	0	1	5	3	1	1	1	1	1	0	1	15
Regeneration and Planning	0	0	0	0	2	0	0	0	0	0	0	5	7
Resources and Commercial	0	0	0	0	0	0	0	2	1	1	0	1	5
Schools	28	47	72	61	14	35	42	30	27	25	24	40	445
Totals for year commencing April 2018	28	48	74	80	25	37	45	34	31	28	24	47	501
Totals for year commencing April 2017	33	61	75	93	26	26	44	38	18	46	58	57	575

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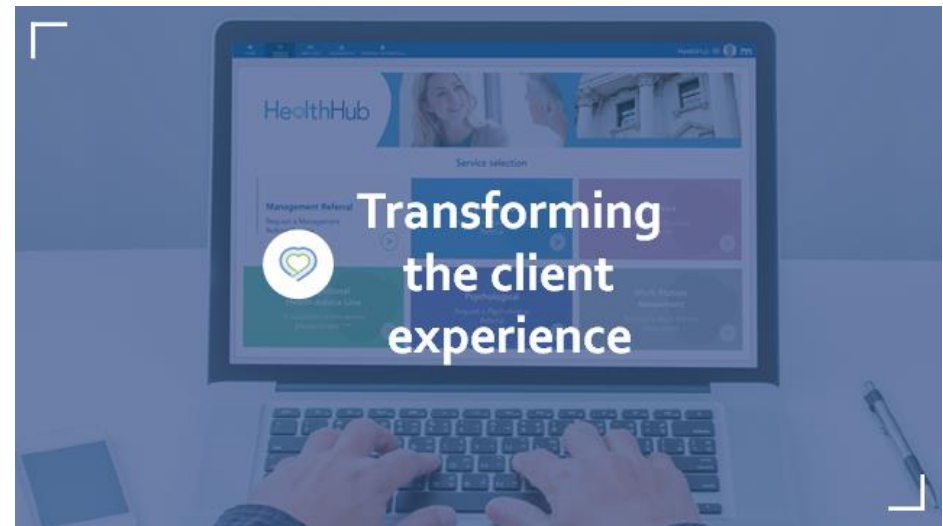
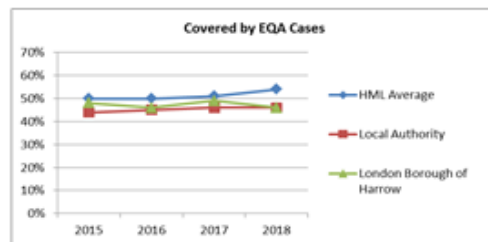
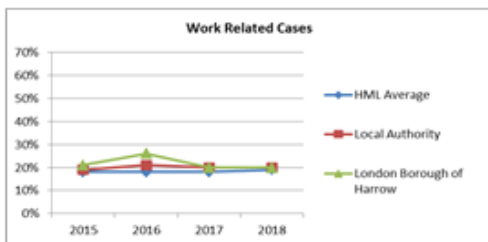
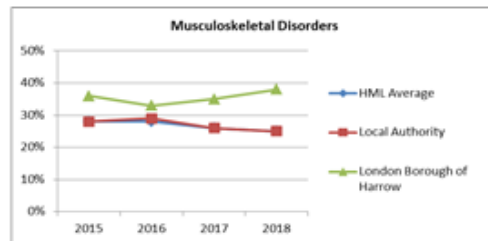
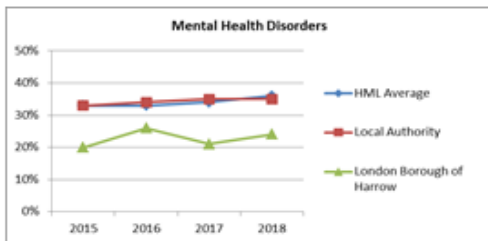
Referral disease codes by division

DIVISION	1. Infections	2. Cancer / neoplasms	3. Haematology	4. Endocrine / Metabolic	5.1. Stroke	5.2. Anxiety	5.3. Prostate	5.4. Depression	5.5. Alcohol & Drug Dependence	5.6. Other Psychiatric / Mental Health	6. Neurological	7. Ophthalmological	8. Audiological	9. Cardiovascular & respiratory	10. Respiratory	11. Gastro-Intestinal	12. Dermatology (DIMEY)	13.1. Back Pain	13.2. Neck Pain	13.3. Fracture	13.4. Lower Limb Disorder	13.5. Upper Limb Disorder	13.6. Arthritis	13.7. Rheumatism	13.8. Other Musculoskeletal	14. Genitourinary	15. Gynaecological / Proctology	16. Other	17.25. CPD / Neurology/PE	18. Conduction Disease Disorder	19. Unspecified group/total up	20. Unspecified group/total up	21. I.R.	Total Disposed	Cancelled Cases	Awaiting Diagnosis	Total Received
Community	2	0	0	2	4	1	4	1	2	4	0	1	3	2	2	2	2	15	1	1	5	8	0	1	2	2	0	6	1	0	0	0	74	17	5	26	
People	0	1	0	0	6	3	4	0	1	3	2	0	1	0	1	0	0	6	1	0	2	0	0	1	2	2	0	0	0	0	0	0	47	9	5	81	
Regeneration and Planning	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	2	1	0	3	
Resources and Commercial	2	2	1	5	5	2	4	0	0	2	0	0	2	2	0	0	0	4	2	2	2	1	0	0	2	1	0	6	2	0	2	0	55	9	2	87	
Schools	1	1	1	2	14	9	12	0	2	5	0	1	1	4	1	0	0	12	1	5	6	10	4	2	7	1	5	12	1	1	3	130	23	9	197		
Total	5	4	2	9	29	15	26	1	5	18	2	2	7	10	4	2	27	5	9	15	20	6	3	21	5	7	20	5	1	4	3	308	64	22	394		

Health trends and benchmarking

Year to Date	2015				2016				2017				2018						
	% Mental Health	% Musculoskeletal	% Work Related	% Inequality Act	% Mental Health	% Musculoskeletal	% Work Related	% Inequality Act	% Mental Health	% Musculoskeletal	% Work Related	% Inequality Act	% Mental Health	% Musculoskeletal	% Work Related	% Inequality Act			
Business Services	34%	27%	17%	50%	26%	26%	20%	51%	26%	25%	21%	51%	26%	25%	21%	55%			
Chemicals & NPD	36%	28%	21%	55%	22%	26%	22%	51%	26%	25%	21%	55%	26%	24%	20%	55%			
Construction	21%	26%	25%	46%	22%	26%	17%	54%	25%	25%	17%	46%	22%	27%	14%	52%			
Education	35%	25%	25%	57%	27%	26%	22%	55%	27%	24%	21%	55%	21%	20%	24%	57%			
Finance	45%	28%	21%	54%	43%	17%	21%	56%	45%	17%	22%	55%	49%	26%	25%	59%			
Fire and Rescue Service	14%	22%	16%	38%	6%	22%	6%	30%	19%	27%	14%	39%	12%	29%	12%	15%			
Legal	36%	28%	13%	58%	24%	12%	16%	56%	25%	22%	16%	59%	41%	22%	16%	40%			
Local Authority	33%	28%	19%	44%	34%	29%	21%	45%	33%	26%	20%	46%	32%	25%	20%	46%			
Manufacturing and industrial	24%	27%	20%	37%	27%	25%	19%	56%	22%	21%	17%	55%	22%	25%	20%	42%			
Pharmaceuticals	55%	42%	19%	48%	46%	24%	20%	42%	54%	15%	28%	35%	56%	15%	35%	38%			
Public Sector	21%	26%	20%	60%	22%	26%	21%	59%	22%	25%	21%	62%	27%	25%	19%	62%			
Retail and Leisure	29%	24%	17%	54%	29%	23%	16%	59%	29%	22%	15%	55%	32%	29%	17%	62%			
Telecoms and IT	34%	29%	9%	50%	24%	28%	10%	55%	24%	27%	9%	56%	27%	24%	10%	59%			
Transport	19%	27%	10%	59%	20%	24%	11%	58%	20%	21%	14%	58%	21%	21%	14%	41%			
Utilities	20%	22%	7%	39%	27%	29%	9%	49%	46%	19%	4%	55%	35%	21%	19%	41%			
HML Average	33%	28%	18%	50%	33%	28%	18%	50%	34%	26%	18%	51%	36%	25%	19%	54%			
Apr 2015 to Mar 2016				Apr 2016 to Mar 2017				Apr 2017 to Mar 2018				Apr 2018 to Mar 2019							
London Borough of Harrow				20%				26%				21%				24%			
London Borough of Harrow				36%				33%				35%				38%			
London Borough of Harrow				21%				20%				20%				20%			
London Borough of Harrow				48%				46%				49%				46%			

2018 Health Trends



New Client Portal available to LB Harrow by Summer 2019



Features and benefits at a glance:

Improved design	Single point of referral	Enhanced registration process	Automated case triage	Timeline tracker
Real-time updates	Online appointment booking	Appointment reminders	Online document storage	Automated prompts

“ Quick access to all case referral information in one place with digital improvements to appointment bookings, reminders and document storage ”

New MI platform available to LB Harrow late Spring 2019



Features and benefits at a glance:

Improved design	Real-time data	Secure single sign-on	Detailed reports
24/7 access to data	User intuitive interface	Track KPIs	Responsive apps

“ 24/7 access to real-time data and customisable reports delayed in an engaging and responsive format available on multiple devices ”

New telephony system installed January 2019



Features and benefits at a glance:

Faster call routing	Quicker access to expert clinicians	Call recording facility	Improved case query
Standard rate phone number	Caller display facility	Call handling MI	State of the art

“ Cost-saving Advice line for clients with timely call response rate, quicker access to expert clinicians and call recording options ”

Key contacts for LB Harrow



<p>Relationship Manager:</p> <p>Debbie Nicholls 01273 976536 debbie.nicholls@healthmtd.com</p>	<p>Clinical Operations Team:</p> <p>South 03 0161 433 8766 south.03@healthmtd.com</p>	<p>Chief Medical Officer:</p> <p>Dr Laura Crawford (can be contacted via Debbie or the team)</p> <p>Clinical advice line: 01273 555666</p>
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Appendix 6 – Health and Safety Policy 2019-20



Corporate HEALTH AND SAFETY Policy

2019 - 2020

	Name	Signature	Date
Prepared by:	Fredah Zuleha		5/05/2018
Checked by:	John Griffiths		12/02/2019
Approved by:	Paul walker		
Document Title:	OCCUPATIONAL HEALTH & SAFETY STRATEGY 2019 - 2022		
Version Number:	9	Date of Next Review:	1 st April 2020

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2	Purpose	4
3	Organisation	5
4	Health & Safety Arrangements	16
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Acronyms		
CHSG	Corporate Health and Safety Group	
CHSS	Corporate Health and Safety Service	
CHSP	Corporate Health and Safety Plan	
ECF	Employee Consultative Forum	
HSCOP	Health and Safety Code of Practice	
CSB	Corporate Strategy Board	
OHS	Occupational Health Service	
EAP	Employee Assistance Programme	
HSE	Health and Safety Executive	
GNs	Guidance Notes	
ACoP	Approved Code of Practice	
SSoW	Safe Systems of Work	

1. Corporate Statement of Health & Safety Policy

Harrow Council, as an employer, recognises its legal responsibility to make every effort and secure the health, safety and welfare of all its employees and others, i.e. visitors, contractors, service users etc. that may be affected by the Council's undertaking.

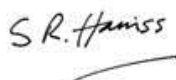
The Council aspires to achieve excellence thereby implementing and effectively maintaining a robust safety management system that will permit safe work practices without compromising the health, safety and wellbeing of employees, the general public and the environment.

Harrow council recognises that success in achieving and maintaining a safe and healthy work environment incorporates commitment from both senior management and all employees within the organisation along with effective communication, co-operation and consultation.

The Council is committed to continuous improvement in health and safety performance and will develop a Corporate Health and Safety Improvement Plan which will include key targets and objectives for improvement in health and safety management.

In particular, it is corporate policy to;

- Meet and whenever possible exceed the minimum standards set by the Health and Safety at Work etc. Act 1974 and supporting regulations and guidance
- Provide financial and physical resources to ensure that the Council's health and safety arrangements are implemented and adequately maintained.
- Regularly monitor and revise the health and safety management system, including this Policy Statement, other corporate Policies and Codes of Practice, to ensure that these documents remain in circulation and in date.
- Carry out appropriate risk assessments, seeking to eliminate and or reduce hazards. Where risk assessments have revealed risk levels to be unacceptably high, health and safety requirements will therefore take precedence over all other business requirements to ensure that these levels are reduced a low level as reasonably possible.
- Seek continuous improvement in health and safety performance; promote a proactive safety culture and to effectively maintain a safer and healthier working environment.
- Ensure that all employees receive adequate training for the purposes of health and safety
- Consult with employees or their representatives, on health and safety matters, also ensuring that the corporate Safety Policy is available when required.
- Ensure that competent persons are appointed to assist the Council in meeting its statutory obligations.
- Recognise that accidents usually result from failings in management control and are not necessarily the fault of the individual/s involved.
- Recognise that the Chief Executive has overall responsibility for ensuring that health and safety in the workplace is considered in all Senior Management Team decisions and allocating resources to support quality improvement programmes aimed at continual improvement.



Sean Harriss
Chief Executive
Date:



Graham Henson
Council Leader
Date:

2. Purpose

This Policy and in conjunction with local documents, Codes of Practice (CoP) and Guidance Notes (GNs) will permit understanding how health and safety is managed across the Council as well as defining Senior Management roles and responsibilities.

The Policy is divided into principles, Organisation (people) and Arrangements (systems) and provides the framework for health and safety management within the Council.

2.1 Scope

This is a corporate Policy that applies to all employees including school staff, agency staff, consultants, contractors and volunteers.

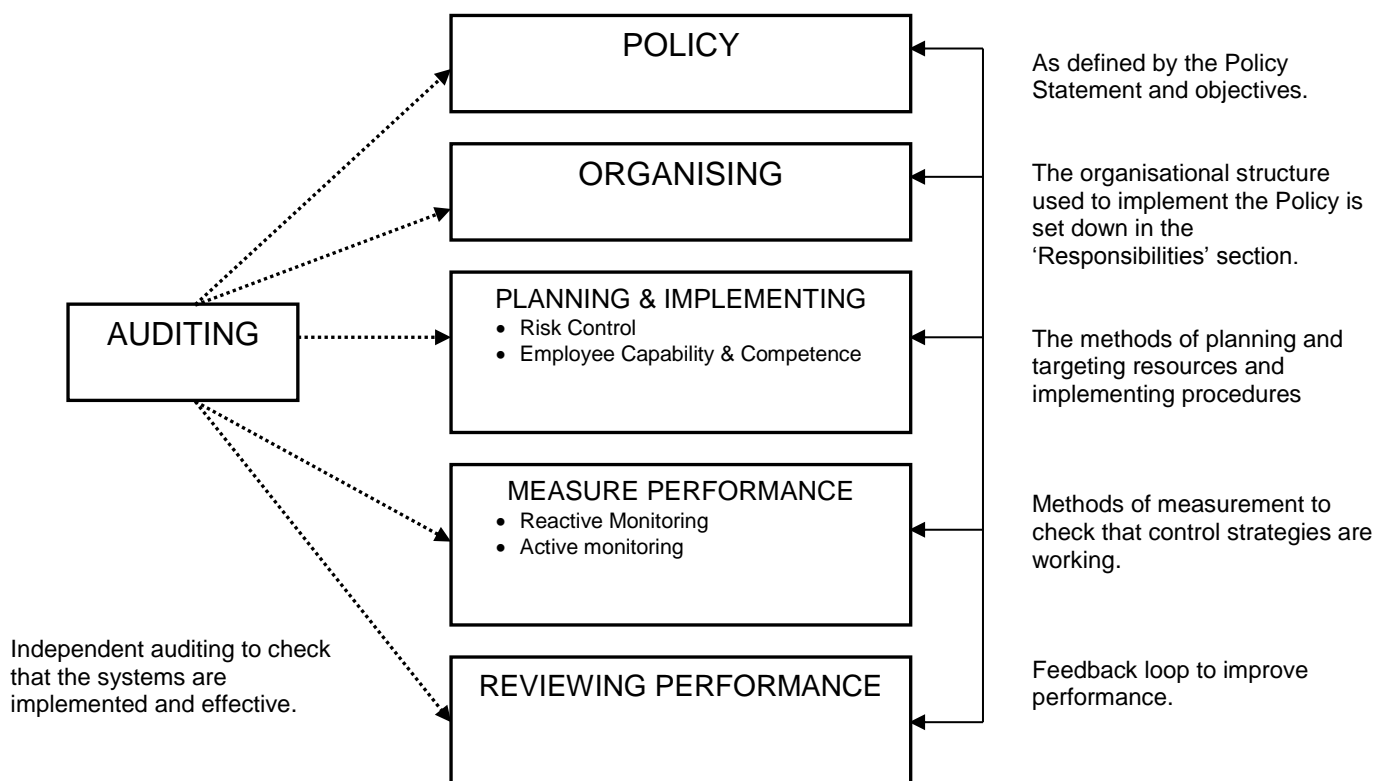
2.2 Elected Members

The Elected Members have overall responsibility for the application of health and safety legislation, achieving the objectives set out within this Policy and ensuring that adequate resources are available to meet the organisation's health, safety and welfare needs. The Elected Members delegate the work required to the Chief Executive.

2.3 Principles

Harrow Council recognises and accepts its statutory, moral, legal and economical responsibilities; fundamentally aiming to ensure that all employees, stakeholders and the general public do not suffer injury or ill health that may occur as a result from the Council's undertakings.

Harrow Council's Health and Safety Management System is based on the following model:



For the model to be successful, the following standards must be applied:

- Ensuring that a health and safety management system is implemented to provide a structured management approach to controlling workplace hazards and risks throughout the organisation
- Ensuring that all employees undertake their tasks without disregarding health and safety
- Active commitment from Senior management to improving health and safety standards, making reference to European law and UK health and safety legislation in order to meet minimum standard
- Ensuring that the necessary resources are available to effectively meet the requirements of this Policy
- All level management to actively demonstrate a positive attitude towards workplace health and safety, encouraging employees to ensure that safe practice is routine
- Employees' participation, including contractors, consultants and volunteers, working on Council premises, to pay maximum attention to the health and safety aspects of their work, embracing safe work practices to avoid injury / ill-health to themselves and to others.

3. ORGANISATION

3.1 Chief Executive

The Chief Executive has overall responsibility for ensuring that the corporate Health and Safety Policy is implemented and that all health and safety matters are brought to the attention of the Elected Members.

The Chief Executive will also direct the execution of this Policy and ensure that adequate resources are available to enable ongoing improvements and in particular:

- Actively demonstrating leadership in requiring and supporting high standards of health and safety performance in all the corporate undertakings
- Ensuring that the Corporate Health and Safety Plan is implemented
- Ensuring that there is accountability at the correct level of management when corporate and legal standards are unacceptable
- Appoint the Corporate Director Community with responsibility for overseeing the day-to-day management of health and safety on behalf of the Council
- Agreeing Corporate health and safety strategic aims and targets with Directors
- Ensuring that the Council's Health and Safety Management System is effectively managed and maintained
- Ensuring that the Organisation and Arrangements for carrying out this Policy are adequate
- Ensuring that the statutory requirement to monitor the prioritisation of and responses to health and safety issues affecting all Directorates are carried out through the Corporate Strategy Board (CSB) and the Corporate Health and Safety Group (CHSG) which should incorporate Trade Union representatives.
- Determining and periodically reviewing corporate targets in respect of health and safety issues.
- Continually reviewing health and safety performances and making decisions, where require, about the nature and timing of the actions necessary to remedy deficiencies.

3.2 The Corporate Director – Community

The specific responsibilities of the Corporate Director – Community are; delivering, co-ordinating and leading the Council's vision for a safe, secure and healthy work environment.

The Corporate Director – Community will:

- Advise the Council on the preparation and revision of the its Policy Statement for Health and Safety; the appropriate Organisation and Arrangements necessary to meet the Policy's aims and objectives
- Act as the person with responsibility for overseeing the delivery of the day-to-day management of health and safety on behalf of the Council
- Ensure that the Corporate Health and Safety Plan is implemented and suitably disseminated
- Encourage a practical approach to managing health and safety
- Ensure that all employees have access to competent health and safety advice
- Ensure that the required level of 'competent' persons are maintained within the directorate given the higher operational risk levels within certain areas of the directorate.
- Act as Chairperson for the CHSG and ensure that health and safety information is disseminated throughout the organisation and to escalate health and safety matters to the CSB and to the Employees Consultative Forum (ECF), if required
- Ensure that health and safety is promoted throughout all services and at all stages, including recruitment selection and training
- Regularly consult with employees through their Trade Union or other representatives with respect to changes that may affect their health, safety and wellbeing
- Coordinate the preparation of the CHSG meetings and management reports and ensure effective consultation with the ECF.

3.3 Corporate Directors

Corporate Directors are responsible for implementing this Policy within their Directorates along with any specific health and safety Policies, Codes of Practice and Safe Systems of Work (SSoW), where required.

Corporate Directors shall:

- By leadership and personal example foster positive attitudes towards health, safety, welfare and security throughout their Directorates, such that their beliefs and commitment to health and safety become the shared values of all employees
- Have oversight of health and safety performance in their areas of responsibility and actively contribute to achieving the overall health and safety strategic aims, including the delivery of the Corporate Health and Safety Plan
- Support the Corporate Director - Community with responsibility for the lead health and safety role and champion Directorate employees with health and safety remits, to ensure that the Health and Safety Management System is adequately monitored and is effective.
- Ensure that a Health and Safety Group for their Directorate is in place, which should have a chairperson appointed and comprise of relevant Trade Union representatives. The Group should also incorporate the Terms of Reference agreed by the CHSG.
- Agree with Divisional Directors and Heads of Service targets for health and safety performance, in support of the Council's overall strategy, the Corporate Health and Safety Plan and Health and Safety Management System.

- Report on and / or recommend to the appropriate Committee trends in the performance and prioritisation of health and safety issues and on associated resource implication, not less than annually through the budget estimate process
- Designate a named officer (Person with Responsibility for Asset Management and / or Premises Manager) to be responsible for management of those buildings occupied by them or by more than one Directorate or agency and ensure that these responsible persons are adequately trained.
- Ensure that Safety Champions are engaged in their Directorate thereby promote health and safety in their individual areas.
- Be responsible for ensuring that the Directorate's Health and Safety Policy is developed detailing the Organisation and Arrangements for their Directorate. This document will act as a link between the overall Corporate Health & Safety Policy and each Directorate & Division's Health and Safety Action Plans
- Ensure that their Directorate Management Teams know and fulfil their individual responsibilities regarding health and safety and that they receive relevant information, training and instruction so as to competently carry out health and safety tasks assigned to them. The Directorate Management Teams will also ensure that their employees are given suitable advice, information, and training and support such that the requirements of all relevant health and safety legislation and Codes of Practice are met.
- Determine the health and safety responsibilities and safety critical roles of all employees in their Directorate are identified and incorporated within the employees' role profile or job descriptions.
- Ensure adequate consultation with the appropriate employee representatives prior to the introduction of any change that may affect employee's health, safety and wellbeing.
- Make the necessary arrangements, such as time off for training, to ensure that safety representatives who may be appointed under the regulation can effectively carry out their duties as required
- Be responsible for ensuring that this Policy and the Directorate Policy are communicated and understood by all employees in their Directorate
- Be responsible for translating the Policy's aims and objectives, applying these so as to deliver an effective service on behalf of the Council
- Set annual targets for health and safety performance with their Divisional Directors / Heads of Service in support of both Directorate and the corporate strategic aims
- At quarterly intervals and at Directorate Groups review the safety performance of their Division / Service Unit against the set targets
- Ensure adequate resources are available for health and safety measures in order to meet corporate responsibilities.
- Ensure that the appointed Safety Champions attend the Directorate Health and Safety Group meeting.

3.4 Divisional Directors and Heads of Service

All Divisional Directors and Heads of Service (in schools this could be Head Teachers and school Governors) have responsibility for ensuring that health and safety risks are managed in such a way as to meet Council aims and to ensure legal compliance as the minimum standard.

They also have responsibility for:

- Preparing, implementing, monitoring and periodically updating their Divisional and Service Health and Safety Plans and ensuring that the Council's Health and Safety Management System is maintained.
- Carry out suitable and sufficient risk assessments of the existing & new premises, plant, machinery etc. and appropriate action taken to effectively control the identified hazards.

- Delivering the agreed targets on health and safety performance, including the Divisional Health and Safety Action Plan, in support of the Council's overall strategy, the Corporate Health and Safety Plan and the Health and Safety Management System.
- Ensuring that the divisional sections of the Directorate Policy are developed to comply and support the Council's Corporate Policy and detail the Organisation and Arrangements for that Division. This document will act as a link between the Corporate Health and Safety Policy and their Directorate and Divisional Health and Safety Action Plan.
- Identifying the resources necessary to meet health and safety obligations under the corporate and Directorate Safety Policy.
- Advising and making recommendations to their Corporate Director where an inadequacy of resources is identified.
- Ensuring that Safe Systems of Work are devised and put in place including suitable and sufficient training for employees.
- Ensuring that all accidents involving or have the potential to cause injury or harm to persons or damage to property are reported and investigated and any corrective action is taken to prevent recurrence.
- Using and promoting systems of communication to ensure that all employees are involved in contributing to the safety of their work and workplace by giving feedback on existing safety rules and procedures.
- Informing employees of relevant health and safety information and provide supplementary written information wherever practicable in formats and languages that are known and understood by all employees.
- Selecting and controlling temporary workers, contractors and other visitors to the workplace, ensuring that they can meet corporate standards and providing them with appropriate information so that they do not put themselves, the workforce or the general public at risk.
- Ensuring all contracts are adequate in terms of health and safety provisions and that contractors are monitored to ensure they meet corporate standards.
- Ensuring that the appropriate information, instruction and supervision is provided to enable all employees to avoid hazards and contribute positively to their own and others safety, health and welfare at work.
- Ensuring liaison with other employers, including contractors and occupiers of shared premises to ensure effective cooperation for the exchange of "user" information to permit compliance with Corporate Policy.
- Ensuring compliance with Site Fire and Security Plans and allocating sufficient resources to meet the requirements of those plans in their work area and ensuring that emergency arrangements are in place to protect employees and others against risk of imminent danger
- Ensuring that employees are competent and capable of performing their duties to the required standard with the provision of adequate training to ensure that competency is assured and maintained.
- Ensuring that timely involvement with Occupational Health support is adopted to promote health at work and to enhance effective return to work, where appropriate.
- Making suitable arrangements for consulting with employees on health and safety matters and in accordance with legal standards i.e. through regular recorded team meetings and ensuring that health and safety is a standard item on the agenda at these meetings.
- Obtaining advice and support from the Corporate Health and Safety Service and / or the Occupational Health Service as may be needed.

3.5 Corporate Health and Safety (CHS) Manager

Corporate Health and Safety management falls under the responsibility of the Head of Community and Public Protection, who in turn is responsible to the Divisional Director - Environment & Culture (E&C) as part of the Community Directorate. The CHS Service forms part of the Commercial Team within E&C. Appendix One – Commercial Team Corporate Structure.

Duties of the Head of Community and Public Protection include;

- Implementing, monitoring and reviewing the Health and Safety Management System
- Designing, planning and executing the Corporate Health and Safety Plan (CHSP)
- Ensuring that adequate arrangements are in place to effectively deliver the CHSP
- Ensuring that Corporate Policies and Guidance Notes are developed and revised regularly
- Providing adequate advisory support to ensure compliance throughout the Council
- Ensuring that Senior Management are aware of their responsibilities in meeting health and safety objectives and targets
- Ensuring that all accident, incidents and near-misses are reported and where required, these are investigated to prevent recurrence
- Managing the corporate accident / incident database; preparing accident statistics; producing management reports and disseminating these as may be required
- Setting corporate performance standards and key performance indicators

3.6 People with Responsibility for Asset Management

People with Responsibility for Asset Management must ensure that suitable arrangements are in place for effective management of assets in all Council properties falling within their span of control and in line with the Council's strategic aims.

In order to ensure that People with Responsibility for Asset Management can fulfil their duties and responsibilities under the Corporate Health and Safety Policy, the tasks involved in managing these premises may be delegated to other persons e.g. Head Teachers in schools, members of staff, managing agents or other external organisations, provided that they have the necessary competence, resources and have Council approval to perform these roles.

However, your overall asset management responsibility for these premises cannot be delegated

People with Responsibility for Asset Management must monitor tasks performed on their behalf, to ensure that their responsibilities are being discharged and continue to meet corporate and legal requirement.

People with Responsibility for Asset Management also have responsibility to:

- Deliver targets on health and safety performance as agreed with their Divisional Director or Head of Service, including their Service Health and Safety Action Plan, and where required, their Directorate's Health and Safety Action Plan, the Corporate Health and Safety Plan and Health and Safety Management System
- Carry out suitable and sufficient risk assessments of the existing & new premises, plant, machinery etc. and appropriate action taken to effectively control the identified hazards.
- Ensure that suitable communication methods are established for liaison with all Premises Managers who have been delegated with the day-to-day management of individual sites & properties and that these managers receive suitable information, support and assistance to effectively manage these buildings safely and in the decision making process when planning any changes to buildings.

- Ensure that all accidents involving or have the potential to cause injury or harm to persons or damage to property are reported and where required investigated and any corrective action is taken
- Use and promote systems of communication to ensure that all employees are involved in contributing to the safety of their work and workplace by giving feedback on existing safety rules and procedures
- Inform employees of relevant health and safety information and provide supplementary written information wherever practicable in formats and languages that are known and understood by all employees
- Select and control temporary workers, contractors and other visitors to the workplace, ensuring that they can meet corporate standards and providing them with appropriate information so that they do not put themselves, the workforce or the general public at risk
- Ensure all contracts are adequate in terms of health and safety provision and that all contractors are monitored to meet corporate standards
- Provide suitable and sufficient information, Training and supervision to ensure that all employees avoid injury / ill-health thus contribute positively to their safety, health & welfare and that of others and monitor compliance
- Ensure liaison with other employers, including contractors and occupiers of shared premises to ensure effective cooperation and for the exchange of user information and others are safeguarded
- Ensure compliance with Site Fire and Security Plans and sufficient resources are allocated to meet the requirements of those plans in their area, ensuring emergency arrangements are in place to protect all employees and others against risk of imminent danger
- Ensure that all employees are competent and capable of performing their duties to the required standard and adequate training is provided to ensure that competency is assured and maintained
- Ensure that Safe Systems of Work are devised and put in place and that employees have been suitably and sufficiently trained
- Ensure that where required Asset Management information provides their Corporate Director and Divisional Director / Head of Service with a clear evaluation of risks and work priorities for Council building assets so that appropriate resources are secured for the control of those risks
- Fulfil their legal and compliance responsibilities under this Policy, other corporate Health and Safety Policies, Codes of Practice, Guidance Notes and relevant health and safety regulations
- Ensure that Corporate Directors and Divisional Directors / Heads of Service are aware of any shortfalls in relation to a lack of resources, training requirements and support that is needed
- *Ensure that suitable communication methods are established*

For the purposes of the corporate estate, this role falls to the Facilities Management Team within Community.

3.7 Managers and Supervisors

Managers (including Head Teachers and People with Responsibility for the day to day management of premises as Premises Managers) and Supervisors are responsible for ensuring that activities carried out under their control are in accordance with Corporate Policies and procedures and in compliance with statutory provisions by;

- Delivering targets on health and safety performance as agreed with their Divisional Director or Head of Service, including their Service's Health and Safety Action Plan and where required, their Directorate Health and Safety Action Plan, the Corporate Health and Safety Plan and Health and Safety Management System
- Carry out suitable and sufficient risk assessments of the existing & new premises, plant, machinery etc. and appropriate action taken to effectively control the identified hazards.

- Ensuing that suitable communication methods are established for liaison with Persons with Responsibility for Asset Management where you have been delegated responsibility for the day to day management of individual sites and properties
- Ensuring that all accidents involving or have the potential to cause injury or harm to persons or damage to property under your control are investigated and reported where required and any corrective action is taken
- Using and promoting systems of communication to ensure all employees are involved in contributing to the safety of their work and workplace by giving feedback on existing safety rules and procedures
- Informing employees of relevant health and safety information and provide supplementary written information wherever practicable in formats and languages that is known and understood by employees
- Selecting and controlling temporary workers, contractors and other visitors to the workplace, ensuring that they can meet our standards and providing them with appropriate information so that they do not put themselves, the workforce or the general public at risk
- Ensuring that all contracts are adequate in terms of health and safety provision and that contractors are monitored to meet corporate standards
- Provide suitable and sufficient information, Training and supervision to ensure that all employees avoid injury / ill-health and contribute positively to their safety, health & welfare and that of others and monitor compliance
- Inspecting the workplace at least quarterly; taking appropriate action to remedy the identified hazards; reporting those hazards that cannot be remedied to the line manager so that further action is carried out as may be required
- Ensuring liaison with other employers, including contractors and occupiers of shared premises to ensure effective cooperation for the exchange of “user” information to permit compliance with Corporate Policy
- Ensure compliance with Site Fire and Security Plans and sufficient resources are allocated to meet the requirements of those plans in their area; implementing emergency arrangements to protect all employees and others against risk of imminent danger
- Ensuring that staff, contractors, interims, agency workers and consultants receive appropriate inductions and are competent and capable of performing their duties to the required standard and adequate training is provided to all employees, where appropriate, to ensure that competency is assured and maintained
- Ensuring timely involvement of Occupational Health support to promote health at work and, where appropriate, to enhance the effective return to work of absent employees
- Ensuring that Safe Systems of Work are devised and put in place and that staff have been suitably and sufficiently trained
- Ensure that where required, safety management information provides their Divisional Director / Head of Service with a clear evaluation of risks and work priorities for the identified safety risks so that appropriate resources are secured to effectively control those risks
- Fulfil their legal and compliance responsibilities under this Policy, other corporate Health and Safety Policies, Codes of Practice, Guidance Notes and relevant health and safety regulations
- Ensure that Corporate Directors and Divisional Directors / Heads of Service are aware of any shortfalls in relation to a lack of resources, training requirements and support that may be required

3.8 Employees

All employees have a duty to take reasonable care whilst at work, ensuring not to endanger themselves or others that may be affected by their acts or omissions and to cooperate with management so as a high standard of health and safety throughout Harrow Council is achieved by;

- *Ensuring they are aware of, understand and follow those parts of the health and safety management system, Codes of Practice and Guidance Notes which relate to their area of work.*
- *Also ensure that they are familiar with and understand the following;*
 - *Any necessary action concerned with fire and fire drills at their place of work*
 - *The first-aid arrangements and facilities available at their place of work;*
 - *The corporate accident / incident / near-miss reporting procedures;*
- *Avoiding conduct that would put themselves and others (including visitors, contractors, the public and persons on work experience) safety, health and wellbeing at risk of injury*
- *Attending any training provided and putting into practice all instruction intended to ensure safety whilst at work*
- *Not to disregard / miss-use safety equipment and protective clothing provided, utilising these in accordance with instructions or training received and immediately reporting any defects to their supervisor / manager*
- *Operating only those items of plant / equipment for which they have received training and are authorised to use*
- *Following any control measures identified within the risk assessments relevant to their work*
- *Complying with disciplined work procedures as detailed either in writing or verbally by their manager or supervisors and to ensure such instructions and training that is given is fully understood before commencement of work*
- *If in doubt, to query any matters regarding health and safety by contacting corporate health and safety service*
- *Using the correct tools and equipment for the task/s and ensuring that these tools are maintained in good working order therefore reporting any defects immediately to their supervisor / manager*
- *Report all accidents, incidents and near misses, in accordance with the corporate accident / incident reporting procedure*
- *Cooperating with management in evaluating risks and suggesting ways to improve health and safety performance*
- *Refraining from 'horseplay', cutting corners and taking unnecessary risks whilst undertaking their tasks*
- *Assisting management by ensuring that other employees, particularly new employees, are aware of the procedures, Safe Systems of Work and any potential hazards that are likely to be created during the work activity*
- *Ensuring that, where vehicles are used for work purposes, then these must be maintained in a safe and roadworthy condition and any materials and equipment carried in the vehicle should be appropriately secured thus in compliance with the related statutory regulations*
- *Not consuming any alcohol, recreational drugs or any other substances that may impede their mental and physical state of mind*

If you have any doubts about your health and safety responsibilities in your workplace, you must seek clarification from your supervisor or line manager. You may also seek guidance from your Trade Union Safety Representative or the Corporate Health and Safety Service.

3.9 Safety Representatives

Safety Representatives are elected by Trade Union members recognised by the Council and have a duty to represent their members (employees). Functions of a Safety Representative include:

- *Conducting investigations of potentially significant hazards and dangerous occurrences in the workplace and to examine the cause/s of an accident*

- *Investigating complaints raised by any employee they represent relating to the employee's health, safety or welfare.*
- *Making representations to management on matters arising from the two above duties or any other legitimate health and safety concerns*
- *Carrying out inspections of the workplace at agreed intervals, having given reasonable notice to the responsible manager*
- *Reviewing information from Health and Safety Inspectors and others on behalf of employees whose health and safety they represent*
- *Attending health and safety meetings and where necessary, ensuring that their members are adequately represented.*

3.10 Occupational Health Service

Harrow Council is committed to promoting physical and psychological wellbeing of all its employees thereby undertaking appropriate measures to prevent ill-health and injury that may arise from any work activities.

The Occupational Health Service (OHS) and Employment Assistance Programme (EAP) are services provided by the Health Management Limited (HML), providing expert advice, specialist counselling and support to all Harrow Council employees when required.

Employees can access the EAP service 24 hours a day, 7 days a week, either online or by the telephone. The range of topics covered by EAP include; legal, bereavement, bullying and harassment advice etc.

Employees requiring the OHS can receive this following initial referral by their line manager.

Further advice / information can be obtained from Human Resources Department, email - AskHR@harrow.gov.uk as these services sit separate to the Corporate Health & Safety function, but will liaise with, and contribute to, any corporate health & safety plan for the purpose of ensuring the welfare of all.

3.11 Assurance

In order for this Policy to be effectively implemented there needs to be an assurance process. Assurance will be established by:

- Documentation - Divisional Health and Safety Plans including copies of risk assessments and safe working methods will be in writing and kept either electronically or as hard copy. It is essential that working documents such as risk assessments are readily available to all employees
- Reporting – Ensure key indicators are in place to monitor performance and include data to identify trends that will be fed back to Senior Management
- Independent Review - The ESM will ensure that the Corporate Health and Safety Service undertake assurance work of all Directorates. Directors and Heads of Service will ensure that active monitoring is carried out in their areas, based on the Corporate Health and Safety Plan. In addition Inspectors of the enforcing authorities and health and safety representatives appointed by recognised Trade Unions will / may conduct independent inspections and audits.

3.12 Commitment

This policy identifies the full commitment of Harrow Council to all matters of health and safety and to the provision of resources needed to ensure that the responsibilities to employees (whether direct or indirect, for example, consultants and contractors) and customers are fully met.

4. Health & Safety Arrangements

In line with corporate Policies and Codes of Practice, each Directorate and Division will undertake risk assessments to identify health and safety hazards and risks that may affect their work and detailing the necessary

control measures to prevent, reduce and or control risks at an acceptable level. These will include, but not limited to;

- Fire safety
- First-aid
- Accident / incident reporting
- General workplace safety
- Training etc.

4.1 Corporate Health and Safety Service (CHSS)

The primary role for the CHSS is to provide professional advice and support to all Council services including schools so as to ensure and promote a sustainable positive safety culture throughout the organisation. This is achieved by;

- Developing and reviewing Policies, Codes of Practice and Guidance Notes – these are available on the [intranet](#);
- Providing health and safety advice, information and training for all employees;
- Promoting of Health, Safety and Well Being;
- Supporting and assisting managers in meeting their statutory obligations;
- Conducting site safety visits and investigating accidents;
- Reviewing of Educational Visits forms organised by schools;
- Producing quarterly and annually safety reports and;
- Monitoring and auditing Health and Safety performances

This function is co-ordinated through the use of the Assure SHE software, the corporate agreed software for the co-ordination, collation and auditing of corporate health & safety systems and documentation. The expectation is on all levels of the corporate entity to use, contribute and keep their documentation up to date on this system.

4.2 Sensible Risk Management

The Council is committed to sensible risk management and follows the HSE's Principles of Sensible Risk Management as detailed below:

1. Sensible risk management **is** about:

- ✓ Ensuring that workers and the general public are protected from harm to their health, safety and wellbeing
- ✓ Providing overall benefit to society by balancing benefits and risks, with a focus on reducing risks that may either arise frequently, those with serious consequences or both
- ✓ Enabling innovation and learning not overlook them
- ✓ Ensuring that those who create risks manage them responsibly and understand that failure to manage these is likely to lead to ramifications.
- ✓ Enabling individuals to understand that as well as the right to protection, they also have to exercise responsibility

2. Sensible risk management is **not** about:

- Creating a totally risk free society
- Generating useless paperwork mountains
- Scaring people by exaggerating or publicising trivial risks

- Stopping important recreational and learning activities for individuals where the risks are managed
- Reducing protection of people from risks that cause real harm and suffering

4.3 Consultation & Communication Code of Practice

As an extension of this Safety Policy, the Council has developed a Consultation and Communication Code of Practice (HSCOP 38).

This Code of Practice aids health and safety communication and performance, which also assists the Council to meet its legal, moral and economic obligations.

As part of the Council's safety culture, this CoP outlines the membership, structure and functions of Safety Groups & Sub Groups and contains the Issues Log, which is the key communication tool for cascading and escalating health and safety issues within the organisation.

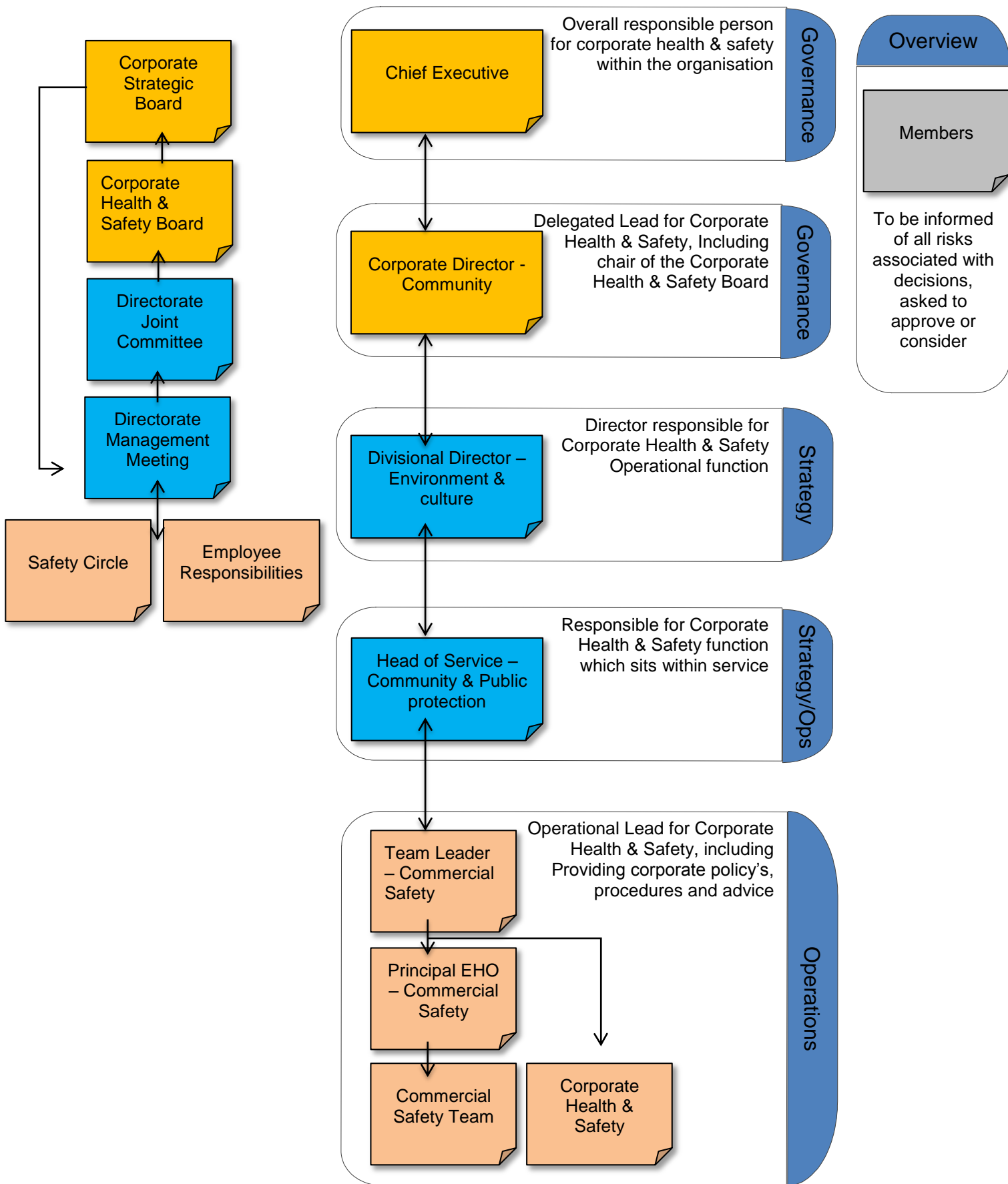
To aid with the flow of information throughout the Council, this CoP also contains a structured quarter financial programme for each Safety Groups.

4.4 Sign off of Policies and Procedures

The responsibility for producing, updating and communicating corporate policies and procedures rests with the corporate health & safety team under the Head of Community and Public Protection service.

Health & Safety requires the proactive, timely production of relevant and required policies and procedures to ensure the safety of those in the organisation. To this end, such policies and procedures final sign off rests with the Director (Environment and Culture), and will be reported to the Corporate Health & Safety Group for information and cascading as necessary.

Appendix One: Corporate Health & Safety Structure



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REPORT FOR: **Governance, Audit, Risk Management and Standards Committee (GARMS)**

Date of Meeting: 16 July 2019

Subject: Treasury Management Outturn 2018/19

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards affected: All

Enclosures: Appendix 1 – Economic Back ground
Appendix 2 Cabinet referral of Treasury Outturn to GARMSC.

Section 1 – Summary and Recommendations

This report sets out the summary of treasury management activities for 2018/19. Cabinet considered this report on treasury outturn and referred it to the Governance, Audit, Risk Management and Standards Committee for review.

Recommendation

The Committee are asked to:

Review the outturn position for treasury management activities for 2018/19.

Section 2 – Report

1.1 Background

1.1.1. The purpose of this report is to present the Council's Annual Treasury Management Outturn Report for 2018/19 in accordance with the Council's treasury management practices. It is a regulatory requirement for this outturn report to be presented to Council by the 30 September each year. The Council has complied with all elements of the Treasury Management Strategy Statement (TMSS) as the treasury management function has operated within the Treasury Limits and Prudential Indicators as set out in the TMSS and set out in this report.

1.1.2. Treasury management comprises:

- Managing the Council's borrowing to ensure funding of the Council's future Capital Programme is at optimal cost;
- Investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security of capital and liquidity.

1.1.3. The annual revenue budget includes the revenue costs that flow from capital financing decisions. Under the Treasury Management Code, increases in capital expenditure should be limited to levels whereby increases in interest charges and running costs are affordable within the Council's revenue account.

1.1.4. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation to ensure the security and liquidity of the Council's treasury investments.

1.1.5. The Council recognises that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of the Treasury Management Code.

1.2 Reporting Requirements

1.2.1 The Council and/or Cabinet are required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Treasury Management Strategy Statement report - The first, and most important report is presented to the Council in February and covers:

- the Treasury Management Strategy Statement (TMSS), how the investments and borrowings for capital expenditure are to be organised) including Treasury Limits and Prudential Indicators .
- The Annual Investment Strategy which forms part of the TMSS, (the parameters on how investments are to be managed).
- the MRP Policy (how capital expenditure is charged to revenue over time).

Mid-year Review report – This is presented to Cabinet in the autumn and updates Members on the progress of the Capital Programme, reporting on Prudential Indicators to give assurance that treasury management function is operating within the Treasury Limits and Prudential Indicators set out in the TMSS.

Treasury Management Outturn report– The treasury outturn report for 2018/19 was presented to Cabinet on 20 June 2019 and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the Strategy.

Scrutiny - The above reports are required to be adequately scrutinised, usually before being recommended to Cabinet / Council, with the role being undertaken by the Governance, Audit, Risk Management and Standards Committee (GARMSC). The Council has complied with the Code to the extent that all Treasury Management reports have been properly scrutinised though the efficient conduct of the Council's business may require further consideration by GARMSC subsequent to consideration by Cabinet/Council. As set out above this report was considered by Cabinet on 20 June 2019 and was referred by Cabinet for review by GARMSC. (See Appendix 2)

1.2.2. The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Section 151 Officer. The Section 151 Officer chairs the Treasury Management Group (TMG), which monitors the treasury management activity and market conditions monthly.

1.3 Matters covered in report

1.3.1. This report covers the following:

- Treasury Management Outturn Summary (section 2).
- Capital Outturn and Authorised Limits (section 3)
- Investment Outturn and Investment Limits (section 4)
- Compliance with Treasury Limits and Prudential Indicators (section 5)
- Minimum Revenue Provision (section 6)
- Economic update for 2018/19 (Appendix 1)

1.4 Options considered

1.4.1. The report is in accordance with the reporting requirements of the CIPFA. Treasury Management Code.

2 Treasury Management Outturn Summary

- 2.1. The Treasury Management Strategy Statement agreed by Council in February 2018 stated that for the next three years the Capital Programme would continue to be funded to a large extent from grants and revenue resources but that substantial borrowing would also be required. The only other foreseen circumstance in which new long term borrowing in the next three years might be needed would be, if part of the Lender Option Borrower Option (LOBO) market loan portfolio had to be refinanced early and if decisions were made to increase capital investment.
- 2.2. During the year the Council negotiated the early repayment of £30 m LOBO loans which cost an average of 3.75% interest. The loans were replaced with £30m Public Works Loan Board (PWLB) borrowing at 2.71%. Consideration was given as to the cost and benefits of the premature repayment of debt and the premium which would be incurred. However, in view of the high exit cost no other debt restructuring was considered to be affordable.
- 2.3. On 31 March 2019, net borrowing was £319.933m, an increase of £12.507m on the position on 31 March 2018, as shown below.

Table 1: Net Borrowing Summary

	31 March 2018	31 March 2019	Movement
	£'000	£'000	£'000
Total Borrowing	324,261	346,261	22,000
Total Cash Invested	-16,835	-26,328	-9,493
Net Borrowing	307,426	319,933	12,507

2.4. The Council's borrowing position (excluding borrowing by PFI and finance leases) as at 31 March 2019 is set out in table below:

Table 2: External Borrowing

	31 March 2018	Average Rate at 31 March 2018	31 March 2019	Average Rate at 31 March 2019	Average Life
	£'000	%	£'000	%	Years
Fixed Rate Borrowing					
Public Works Loans Board (PWLB)	218,461	4.09	248,461	3.93	33.2
Market	105,800	4.29	65,800	4.19	37.3
Temporary Borrowing	0	0	32,000	0.97	
Total Debt	324,261	4.15	346,261	4.15	34.5
Investments					
In-House	26.3	0.23	16.9	0.23	
Total Investments	26.3	0.23	16.9	0.23	0

2.5. In 2019/20, overall debt has increased by £22m (net). PWLB borrowing has increased by £30m which was used to refinance £30m of LOBO market loans which had a positive impact on average interest rates. £32m of temporary borrowing was taken in year, £10m of which was used to repay a market loan and the remaining to fund the Capital Programme.

2.6 There was a favourable variance of £0.788m on the capital financing budget as set out in the table below reflecting the deferral of long term borrowing into 2019/20.

Table 3: Net Cost of Borrowing Summary

	Budget	Outturn	Variation	
	£'000	£'000	£'000	%
Interest Receivable	-1,400	-1,311	89	6.36%
Cost of Borrowing	8,045	7,168	-877	-10.90%
Total	6,645	5,857	-788	-11.86%

3. Capital Expenditure Outturn and Authorised Limits

3.1 During the year the Council operated within the TMSS authorised limits as set out in the following table:

Table 4: Authorised Limits

	2018/19	2018/19
	Estimate	Actual
	£'000	£'000
Authorised Limit for external debt (CFR)		
Borrowing and finance leases	658,246	520,376
Operational Boundary for external debt		
Borrowing	505,013	346,261
Other long term liabilities	15,501	15,501
Total	520,514	361,762
Upper limit for fixed interest rate exposure		
Net principal re fixed rate borrowing	505,013	346,261
Upper limit for variable rate exposure		
Net principal re variable rate borrowing	0	0
Upper limit for principal sums invested over 364 days	60,000	0

3.2. The Council's external borrowing was well within the Prudential Indicator for external borrowing which requires that borrowing should not exceed the estimated Capital Financing Requirement (CFR) for 2018/19 of £658.246. The final CFR for 2018/19 was £517.532m. See Table 5 below.

3.3 The Council is 'underborrowed' because it has used mainly internal funding resources to finance borrowing for capital expenditure. £32m short-term borrowing was taken in 2018/19 which has been replaced by longer term borrowing, taken in April 2019.

Table 5: Capital Financing Requirements and Borrowing Limits

	2017/18	2018/19	2018/19
	Actual	Estimate	Actual
	£'000	£'000	£'000
Capital Financing Requirement	494,223	658,246	517,532
Gross borrowing	341,061	520,514	361,762
Under borrowing	153,162	137,732	155,770

3.4. Total spend on the Capital Programme for the year is £57.782m against the approved budget of £217.565m as set out in a separate report on this agenda; Revenue and Capital Outturn 2018/19. The table below shows budgeted and actual capital expenditure for the year and sources of finance. The balance, the net financing need for the year is met from borrowing.

Table 6: Capital Financing

	2017/18	2018/19	2018/19
	Actual	Budget	Actual
	£'000	£'000	£'000
Capital Expenditure:			
Non HRA	82,254	196,226	50,691
HRA	11,877	21,339	7,091
	94,131	217,565	57,782
Funding:			
Grants	13,309	20,784	13,063
Capital Receipts	8,137	6,148	1,120
Revenue Financing	8,753	8,666	6,191
Section 106 / Section 20 contributions	5,456	1,388	337
TOTAL	35,655	36,986	20,711
Net financing need for the year (Borrowing)	58,476	180,579	37,071

4. Investment Outturn

- 4.1. The Bank of England Base Rate was raised from 0.25% to 0.50% in November 2017 and again in August 2018 to 0.75% and rates have improved slightly but remain low.
- 4.2. The Council manages its investments in-house and invests with the institutions listed in the Council's approved Counterparty List. The treasury strategy permits investments for a range of periods from overnight to three years, dependent on the Council's cash flows, its interest rate view and the interest rates on offer.
- 4.3. As at 31 March 2019, most of the investment portfolio was invested with two banks, Lloyds (46%) and RBS (36%). The counterparty policy permits up to 50% to be invested with Lloyds. and 60% with RBS.
- 4.4. All of the cash investments were held for less than seven days by year-end, to ensure liquidity and to mitigate the need for further temporary borrowing. The investment portfolio achieved an average return of 0.40%. reflecting the short duration of investments and the low level of deposit rates during the year.
- 4.5. The table below sets out the investment balances as at 31 March 2019.

Table 7: Investment Balances

	31st March 2018		31st March 2019	
	£'000	%	£'000	%
Specified Investments				
Banks & Building Societies	0	0	0	0
Money Market Funds	1,584	9.5	1,604	6.1
Local Authority	0	0.0	0	0.0
Non –Specified Investments				
Banks & Building Societies	15,251	89.6	24,724	93.9
Enhanced Money Market Funds	0	0.9	0	0.0
Total	16,835	100.0	26,328	100.0

4.6 Investment balances have reduced due to the strategy to defer borrowing by using cash balances. Average balances above £30m were maintained during the year as this is the approved operational cash balance required for the Council and the trigger point for external borrowing.

5. Compliance with Treasury Limits and Prudential Indicators

5.1. The prudential framework for local authority capital investment was introduced through the Local Government Act 2003. The prudential system provides a flexible framework approach within which capital assets can be procured, managed, maintained and developed. Under this framework, individual authorities are responsible for deciding the level of their affordable borrowing for the Council's capital investment plans that is demonstrated to be affordable, prudent and sustainable.

5.2. The Act and the supporting regulations require the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years. The indicators for 2018/19 were approved by the Council on 22 February 2018. During the financial year the Council operated within the treasury limits and Prudential Indicators as shown in the following table:

Table 8: Prudential Indicators Summary

Table	Indicator	2018/19 Estimate	2018/19 Actual	Indicator "Met"
6	Capital Expenditure GF	£196.226m	£50.691m	met
6	Capital Expenditure HRA	£21.339m	£7.091m	met
5	Capital Financing Requirement (CFR)	£658.246m	£517.532m	met
5	Debt vs CFR (underborrowing)	(£137.732m)	(£158.614m)	met
	Ratio of Financing costs to revenue stream	Non HRA 14.8% HRA including depreciation 43.1%	Non HRA 10.5% HRA including depreciation 43.1%	met
4	Authorised limit for external debt	£658.246m	£520.376m	met
4	Operational debt boundary	£520.361m	£361.762m	met
7	Upper limit for fixed interest rate borrowing	£505.013m	£346m	met
7	Upper limit for investments made over 1 year	£60m	£0m	met

5.3. External borrowing was well within the Capital Financing Requirement, the Authorised Borrowing Limit and the Operational Debt Boundary.

The Authorised Borrowing Limit is a level for which the external borrowing cannot be exceeded without reporting back to Council. It therefore provides sufficient headroom such that in the event that the planned capital programme required new borrowing to be raised over the medium term, if interest rates were deemed favourable within the revenue account and a thorough risk analysis determined, the cost of carry was appropriate, this borrowing could be raised ahead of when the spend took place.

The Operational Boundary is set at a lower level and should take account of the most likely level of external borrowing.

6. Minimum Revenue Provision (MRP)

6.1. Under the statutory regulations the Council must determine for the current financial year an amount of minimum revenue provision (MRP) which it considers to be prudent. The MRP is the means by which capital expenditure which is financed by borrowing or credit arrangements is funded by the revenue account over the useful life of the asset. The budget provision for MRP in 2018/19 was £16.556m. At outturn the MRP actual charge was £10.918m.

7. Economic Update

7.1 The Council has engaged Link (previously Capita) Asset Services, Treasury Solutions as its external treasury management adviser. A short commentary follows, provided by Link in April 2019 summarising their views on developments in the world economy and interest rates during 2018/19 is set out in Appendix 1.

8 Implications of the Recommendations

- 8.1. The recommendations are asking the Committee to note the position on treasury management activities. They do not affect the Council's staffing / workforce and have no equalities, procurement, data protection or community safety impact.

9. Legal Implications

- 9.1. The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. These are contained within this report. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This report assists the Council in fulfilling its statutory obligation under the Local Government Act 2003 to monitor its borrowing and investment activities.

10. Financial Implications

- 10.1 In addition to supporting the Council's revenue and capital programmes the Treasury Management interest budget of £6.6m is an important part of the revenue budget. Any savings achieved, or overspends incurred, have a direct impact on the financial performance of the budget. There is no direct financial impact of paying the London living Wage (LLW) arising from treasury management activity.

11. Performance Issues

- 11.1 The Council meets the requirements of the CIPFA Code of Practice for Treasury Management and therefore is able to demonstrate best practices for the Treasury Management function.
- 11.1. As part of the Code the Council must agree a series of prudential indicators and measure its performance against them. These indicators and performance are detailed in the report.

12. Risk Management Implications

- 12.1 Risk included on Directorate risk register? Yes. Risk 9: Loss of an investment/deposit
- 12.2 The identification, monitoring and control of risk are central to the achievement of the treasury objectives. Potential risks are identified, mitigated and monitored in accordance with treasury practice notes approved by the Treasury Management Group.

13. Equalities implications / Public Sector Equality Duty

13.1 Was an Equality Impact Assessment carried out? No. There are no direct equalities implications arising from this report.

14. Council Priorities

14.1 This report deals with the Treasury Management Strategy which plays a significant part in supporting the delivery of all the Council's corporate priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 3 rd July 2019		

Name: Chris Cuckney	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 1 st July 2019		

Name: Charlie Stewart	<input checked="" type="checkbox"/>	On behalf of Corporate Director
Date: 3 rd July 2019		

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Iain Millar, Treasury and Pensions Manager 0208 424 1432

Background Papers: None

The Council has engaged Link (previously Capita) Asset Services, Treasury Solutions as its external treasury management adviser. A short commentary follows, provided by Link in April 2019 summarising their views on developments in the world economy and interest rates during 2018/19

After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Brexit. The EU has set a Brexit deadline of 31 October 2019. It appears unlikely that there would be a Commons majority which would support no deal or revoking article 50, (cancelling Brexit). There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

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CABINET

20 JUNE 2019

Record of decisions taken at the meeting held on Thursday 20 June 2019.

Present:

Chair: * Councillor Graham Henson

Councillors: * Sue Anderson † Varsha Parmar
* Simon Brown * Christine Robson
* Keith Ferry * Krishna Suresh
† Phillip O'Dell * Adam Swersky

Non-Executive Cabinet Member: * Antonio Weiss

Non-Executive Voluntary Sector Representative: * John Higgins

In attendance: Richard Almond Minute 187
Paul Osborn Minute 187

* Denotes Member present

† Denotes apologies received

194. Treasury Management Outturn 2018/19

RESOLVED: That

- (1) The outturn for treasury management activities for 2018/19 be noted;
- (2) The report be referred to the Governance, Audit, Risk Management and Standards Committee for review.

Reason for Decision: To promote effective financial management and comply with the Local Authorities (Capital Finance and Accounting)

Regulations 2003 and relevant guidance. To keep Cabinet informed of treasury management activities and performance.

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member/Dispensation Granted: None.

[Call-in does not apply as the decision was solely to note the report.]



**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting:	16 July 2019
Subject:	Annual Governance Statement 2018/19
Responsible Officer:	Dawn Calvert, Director of Finance
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1 – Annual Governance Statement 2018/19 Appendix 2 – 2018/19 Evidence Table

Section 1 – Summary and Recommendations

This report sets out the Council's Annual Governance Statement (AGS) for 2018/19.

Recommendations:

The GARMS Committee is requested to:

- To review the Annual Governance Statement 2018/19 in line with the Committee's terms of reference and to recommend it for approval by the Leader and Chief Executive.

Section 2 – Report

Introduction

- 2.1 Harrow Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 2.3 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires *‘an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England)’*.
- 2.4 Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, requires that *“for a local authority in England, the statement is an Annual Governance Statement”*.
- 2.5 The CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* was updated in 2016 and this Framework applies to annual governance statements prepared for the financial year 2016/17 onwards. The overall aim of the Framework *‘is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities’*.
- 2.6 In England the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be *“prepared in accordance with proper practices in relation to accounts”* and must be *“approved in advance of the relevant authority approving the statement of accounts. Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016) and this section of the Code”*.
- 2.7 The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts.

- 2.8 The Annual Governance Statement explains how the Council has complied with the framework and meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of a statement of internal control (Annual Governance Statement).

Annual Governance Statement

- 2.9 Each year the Council undertakes a robust review of its governance arrangements to meet the requirements of the Framework and this year the annual review process consisted of an evidenced based self-assessment undertaken by members of the Corporate Governance Working Group co-ordinated and reviewed by Internal Audit (Appendix 2), a management assurance exercise completed by each Directorate, and a review of the governance of shared service and partnership arrangements.
- 2.10 Internal Audit co-ordinates and reviews the evidence/assurance provided as part of the process and this is used as a basis for the preparation of the AGS.
- 2.12 The Annual Governance Statement (Appendix 1) is prepared on behalf of the Leader of the Council and the Chief Executive who agreed the draft AGS that was also made available to members of the GARMS Committee as part of the draft accounts issued on 06/06/19. The final AGS will be signed off by the Leader and the Chief Executive by the end of July and included with the annual accounts to meet the statutory requirement of Regulation 6 of the Accounts and Audit Regulations 2015 which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control”
- 2.13 Only a few changes have been made since the draft AGS was sent to members and the committees’ attention is specifically drawn to sections 3.2 Compliance with Laws and Regulations (final sentence of fifth paragraph), 3.20 Joint Working (third, fourth and fifth paragraphs), 4. Level of Assurance (final paragraph), 5.1 Health & Safety (second paragraph), 5.2 Regeneration Governance (third and fourth paragraphs) and 6.1 Health & Safety (second paragraph) all of which have been updated since the draft.
- 2.14 One significant governance gap has been identified for 2018/19 and the detail of the gap and the agreed action to close the gap is reported in the Annual Governance Statement (paragraph 6.1).
- 2.15 The GARMS Committee’s terms of reference require that it consider whether the AGS properly reflects the risk environment and supporting assurances and legal and financial advice, taking into account internal audit’s opinion on the overall adequacy and effectiveness of the council’s framework of governance, risk management and control

Legal Implications

2.16 As covered in the main body of the report.

Financial Implications

2.17 There are no financial implications.

Risk Management Implications

2.18 Preparation of the AGS describing the annual review of governance mitigates the risk of the Council not complying with Regulation 6 of the Accounts and Audit Regulations 2015.

Equalities implications

2.19 None

Council Priorities

2.20 The annual review of governance reviews arrangements in place to ensure that the intended positive outcomes for residents as outlined by the Council's priorities are achieved.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 01/07/19		

Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 04/07/19		

Name: Charlie Stewart	<input checked="" type="checkbox"/>	Corporate Director
Date: 03/07/19		

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Susan Dixon, Head of Internal Audit & Corporate Anti-Fraud, 02084241420

Background Papers: None

If appropriate, does the report include the following considerations? N/A

1.	Consultation	YES / NO
2.	Priorities	YES / NO

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1. Introduction

Members and staff working for Harrow Council strive to achieve the Council's vision, priorities, values and outcomes as outlined in the Harrow Ambition Plan.

Arrangements are in place to ensure that the intended positive outcomes for residents are achieved. To ensure good governance these arrangements are agreed and documented and together form the authority's governance structure.

2. Responsibility

Elected Members are collectively responsible for the governance of the council. The full council's responsibilities include:

- agreeing the council's constitution, comprising the key governance documents including the executive arrangements and making major changes to reflect best practice
- agreeing the policy framework including key strategies and agreeing the budget
- appointing the chief officers
- appointing committees responsible for overview and scrutiny functions, audit and regulatory matters and also for appointing Members to them.

Under the *Local Government Act 2000* Harrow Council has adopted a leader and cabinet model and has established an overview and scrutiny function for Members outside the cabinet through which they can question and challenge policy and the performance of the executive and promote public debate.

The authority's governance structure is comprised of a number of key documents that aim to ensure that resources are directed in accordance with agreed policy and according to priorities as set out in the Harrow Ambition Plan, that there is sound and inclusive decision making and that there is clear accountability for the use of resources in order to achieve the desired outcomes for Harrow service users and local communities.

The governance structure, details of the annual review of governance including management assurance and partnership self-assessments that feed into the review and the Annual Governance Statement can be found on the Council's website at http://www.harrow.gov.uk/homepage/295/annual_review_of_governance

This currently shows the 2017/18 statement and will be updated with the 2018/19 statement once it has been agreed.

3. Effectiveness of Key Elements of the Governance Framework

Each year the Council undertakes a review of its governance arrangements to ensure the delivery of good governance in accordance with the requirements of the Accounts and Audit Regulations 2015 and in accordance with *Delivering Good Governance in Local Government: Framework 2016* published by the Chartered

Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace).

The 2018/19 annual review of governance comprised a review of governance arrangements in place against the core and sub-principles of good governance contained in the *CIPFA Framework*, Management Assurance provided by each Directorate on the operation of key elements of governance during 2018/19 and a review of a selection of joint working arrangements, undertaken during 2018/19. This was achieved via a self-assessment process co-ordinated and independently reviewed by the Council's Internal Audit Service. The effectiveness of key elements during 2018/19 is covered below:

3.1 Behaviour of Members and Staff

Codes of Conduct that define standards of behaviour for Members and staff have been developed and are included in the Council's Constitution. Mechanisms are in place to deal with Member and staff transgressions from these codes and policies are also in place for dealing with whistleblowing and conflicts of interest. Training on the Code of Conduct for Members took place after the local elections in May 2018 and was attended by 68% of Members, further training took place in January 2019 that a further 10% attended.

The Council values were developed through workshops with staff and Members and endorsed by Cabinet and Council in February 2016. They were launched and communicated to all staff in March 2016 and have been incorporated into the staff induction programme as well as the performance appraisal process and the staff are measured against these values annually. A staff awards scheme is in place and run annually to:

- Showcase, recognise and further embed the Harrow Ambition Plan and the corporate values
- Celebrate, reward, recognise and communicate individual and team achievements

3.2 Compliance with Laws and Regulations

Responsibility to comply with relevant laws and regulations and internal policies and procedures rests with the Council's managers some of whom have specific statutory obligations e.g. the Head of Paid Service, Director of Children's Services, Director of Adult Social Services, the Chief Finance Officer (Section 151 Officer), the Monitoring Officer and the Director of Public Health which are outlined in Article 12 of the Council's constitution. The Statutory Monitoring Officer functions to report on likely contravention of any enactment or rule of law and the Chief Finance Officer is responsible for identifying any proposal, decision or course of action that will involve incurring unlawful expenditure. No significant contraventions of law or course of action that would involve incurring unlawful expenditure occurred in 2018/19.

From 25th May 2018 the main provisions of the Data Protection Act 2018 (DPA) came into force to implement the EU General Data Protection Regulation (GDPR). This is an evolution of the data protection law rather than a revolution as many of the GDPR's concepts and principles are the same as under the DPA however, there are new elements and significant enhancements of individual rights that we must take into account. In compliance with the requirements of the legislation a Data Protection Officer was appointed in August 2018 who during the year has undertaken a gap analysis of the Council's Information Asset Registers and Privacy Notices and taken action to rectify the gaps identified.

In addition mandatory online training for all staff on information governance, cyber security and the new Data Protection legislation has been developed and was introduced across the Council in October 2018. The completion rates for this training at the end of the year were however disappointing at 61%. This will be dealt with by the introduction of a meta-compliance system from May 2019 that will prevent access to IT systems unless and until mandatory training has been completed. This training has also been rolled out to Members during 2018/19 with only a 29% completion rate. To resolve this tailored face to face training is being developed and will be delivered to each political group.

The Freedom of Information Act (FOI) is a key piece of legislation that the Council is required to comply with and during 2018/19 90% of FOI requests and 85% of Subject Access Requests were dealt with within the 20 day timescale.

The Homelessness Reduction Act is another important piece of legislation that came into force from April 2018 to help tackle the significant problem of homelessness. The Act places new statutory duties on the Council and the Council's Homelessness Strategy was refreshed and approved by Cabinet in March 2018 to take account of the new duties. 'New Burdens' funding allocation was received in 2017/18 from the Government to help support the implementation of the Act and this was used to implement a new ICT system and for staff training. An Internal Audit review of the implementation of the Homelessness Reduction Act was undertaken as part of the Internal Audit annual plan of work and has provided an Amber assurance with 61% of expected controls found to be operating/substantially operating.

In January 2019 the Committee on Standards in Public Life published its report on local government ethical standards. The report looks at the current framework governing the behaviour of local government councillors and executives in England and makes a number of recommendations to promote and maintain the standards expected by the public. The report recommends a number of changes to legislation that will come into force in due course and makes some best practice recommendations for local authorities to consider as a benchmark of good ethical practice which they expect all local authorities can and should implement. The Committee intends to review the implementation of these in 2020. A report will be presented to the Council's Governance, Audit, Risk Management and Standards

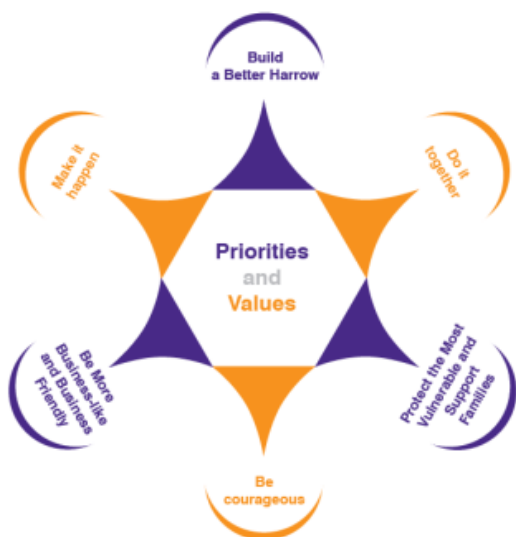
Committee in July 2019 regarding the benchmarking/implementation of the reports best practice recommendations.

3.3 Acting in the Public Interest

The annual review of governance 2018/19 confirmed that the Council can demonstrate a commitment to openness and acting in the public interest. This is achieved via the implementation of a governance structure which includes codes of conduct, a corporate appraisal process, a Standards Committee, registers of interests, gifts and hospitality, a whistleblowing policy, a corporate complaints process, a Corporate Anti-fraud & Corruption Strategy, Financial Regulations and Contract Procedure Rules and a Scrutiny Function. The Council’s Financial Regulations were refreshed during 2018/19, agreed by Council and included in the constitution in February 2019. A staff publication and training scheme is planned for 2019/20. The Constitution was updated three times during 2018/19 to reflect changes to Portfolio Holder roles and responsibilities, the refreshed Financial Regulations and the new Terms of Reference for the Governance, Audit, Risk Management & Standards Committee along with a number of other minor ‘housekeeping’ updates.

3.4 Communication and Consultation

Whilst a Communication Strategy/Plan was not in place for 2018/19, the Council’s Communications Team worked with all parts of the Council and a wide range of partner organisations and external stakeholders on media relations, marketing, campaigns, consultations, events, publications and social media in order to assist the Council in improving its relationship with its public. This includes keeping residents informed of Council activities, engaging them in dialogue around service delivery and soliciting their views to drive change.



3.5 The Council’s Vision

The Council’s vision, and intended outcomes for residents have been developed and are contained within the Harrow Ambition Plan 2020 which was refreshed for 2018 with no significant changes.

The original plan was communicated widely across the Council and the refreshed version is available on the Council's external website. This diagram, included in the plan, illustrates the 'golden thread' between the Council's vision and the Council's plans.



The majority of the Council's Divisions had service plans in place for 2018/19 linked to the Corporate Priorities contained in the Harrow Ambition Plan and the corporate annual appraisal process requires all individual objectives to be aligned to the Harrow Ambition plan and its strategic aims.

3.6 Putting the Vision into Practice

The original Harrow Ambition Plan 2020, 2018 refresh, contains courses of action to be taken by the Council to implement the vision during 2018/19 and the corporate plan action plan table presented to Cabinet and to Council in February 2019 provides an update on the progress of these actions.

3.7 Decision-making

The Council's decision-making framework, including delegation arrangements, is outlined in the Constitution. Report templates are in use to ensure appropriate information is provided to decision makers including options considered, why a change is needed, implications of recommendations as well as risk management, legal, finance, and equalities implications. Decision reports are cleared by, or on behalf of, the Council's Monitoring Officer (legal) and the Chief Financial Officer before they are presented to the decision makers (Council, Cabinet, Committees).

3.8 Measuring Performance

Throughout 2018/19 the Council's strategic performance has been tracked through a quarterly cycle of reports to Directorate Improvement Boards, the Corporate Strategic Board (CSB) quarterly performance morning and the quarterly Strategic Performance report to Cabinet. Capital and revenue financial performance was also reported quarterly to the Corporate Strategic Board, Cabinet and all Members with Treasury Management reported to Cabinet three times during the year.

The 2018/19 Management Assurance exercise confirmed that key performance indicators were in place for all Divisions within the Community, People and Resources Directorates and that these were reported in the quarterly Strategic Performance reports to CSB and Cabinet throughout 2018/19.

Performance against the Harrow Ambition Plan is measured as described above in paragraph 3.6.

The Home Office undertook a Stock and Security Review of the Council's Registrars Service in April 2019 and concluded that overall Harrow Council maintains 'High' security in relation to the security arrangements around the receipt, storage and use of the secure certificate stock (marriage, birth and death certificates).

Three external inspections were undertaken during 2018/19 of services provided by the Council's People Directorate: Ofsted inspected The Firs (a children's home) and rated it as 'outstanding'; the CQC inspected Bedford House (accommodation for people with learning and physical disabilities) and Kenton Road (a care home for people with mental health needs) and the overall rating for both was 'good'.

3.9 Roles and Responsibilities

The roles and responsibilities of Members, the most senior managers and statutory officers have been defined and documented in the constitution. After the local elections in May 2018 the new Leader of the Council made a number of changes to the roles and responsibilities of the Portfolio Holders and these were updated and included in the Constitution in May 2018. The roles and responsibilities of other managers and staff are defined and documented in Role Profiles attached to each post.

3.10 Financial Management

The Council's financial management arrangements during 2018/19 conformed with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)*. A balanced budget was set for 2018/19 with an underspend at year-end enabling £2.2m to be transferred to reserves to support the 2019/20 budget. In the context of a significantly reduced Revenue Support Grant from Central Government and increasing demand on services, particularly social care, this demonstrates focused financial control in place throughout 2018/19. However the advice of the s151 Officer (Director of Finance) is that whilst the budget for 2019/20 is balanced there are budget gaps for 2020/21 and 2021/22 which will require robust proposals (currently in development) to address.

3.11 Monitoring Officer Function

The Statutory Monitoring Officer functions to report on likely contravention of any enactment or rule of law. The duties of the Monitoring Officer are outlined in Article 12 of the Council's constitution and are undertaken by the Council's Director of Legal and Governance Services. Effective arrangements were in place during 2018/19 to discharge these duties and no reports were made on any contraventions.

3.12 Head of Paid Service Function

The requirements of the Head of Paid Service function are also outlined in Article 12 of the Council's constitution and effective arrangements were in place for the discharge of these duties by the Interim Chief Executive until January 2019 and from February 2019 by the new Chief Executive.

3.13 Development Needs

Following the local government elections in May 2018, new Members received a Members Induction pack and a welcome evening was arranged for all elected Members on 8 May, to cover Council values, conduct and Member interests plus a Members Marketplace was held on the 15 May to explain key Council services together with a programme of Member training in May/June 2018.

Although there was no Organisational Development Plan or Workforce Strategy in place during 2018/19 a Corporate Development Programme was in place for officers covering mandatory e-learning on information governance, cyber security and the new Data Protection legislation (see paragraph 3.2) and Equalities and Diversity. The programme also covered a range of optional training for staff for example a Corporate Leadership programme for first line managers funded by the Apprenticeship Levy.

3.14 Managing Risks

The framework for identifying and managing risks was updated during 2016/17 and consists of a series of Directorate risk registers that feed into an overarching Corporate Register that clearly identifies the owner of each risk. A refresh and refocus of the Corporate Risk Register on key risks was undertaken in Q1 2018/19 reducing 33 risks down to 8. The Corporate Risk Register was updated three times during 2018/19 for Q1, Q3 and Q4. Updates were undertaken within each quarter, rather than at the end of each quarter as in previous years, making the register more current. Each update was presented to the Corporate Strategic Board for review and challenge and to the Governance, Audit, Risk Management & Standards Committee to assist the Committee in monitoring progress on risk management in accordance with their Terms of Reference. The Corporate Risk Strategy and the Corporate Risk Policy are currently under review with the intention of updating and streamlining them for 2019/20.

3.15 Counter Fraud and Anti-corruption Arrangements

The Council has a Corporate Anti-Fraud Strategy 2016-19 outlining its approach to tackling fraud that is reviewed annually. No significant changes were made to the strategy in 2018/19. The Council's Corporate Anti-Fraud Team undertook a self-assessment against the *Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)*, during 2018/19, that reviewed progress against the five main principles within the code to improve the Council's arrangements. The result

was a compliance level of 78%, an improvement from 75% in 2017/18, indicating that the authority has reached a 'good level' of performance against the code. Further actions have been built into the 2019/20 Corporate Anti-Fraud plan to improve fraud risk resilience and progress against the actions contained within the Fraud Strategy will be reported to the GARMS Committee in July 2019.

3.16 Scrutiny

The scrutiny function comprises an Overview and Scrutiny Committee (O&S), a Performance and Finance Sub-Committee (P&F), a Health Sub-Committee and lead Members for key areas.

The function is driven by the need to hold the Council and our partners to account for their performance and the establishment of the performance and finance sub-committee as the driver of scrutiny is a key component in ensuring that the function is focused on the issues of the greatest importance to the Council. The lead Members ensure that expertise to tackle particular areas of service delivery is maintained.

The structure is subject to regular review and is supported by meetings of the scrutiny leadership group, comprising the leads and the chairs and vice chairs of the committees, which considers agenda and review programmes, provides strategic direction for the function and overall co-ordination between the leads and committees.

During 2018/19 O&S met 8 times, P&F 3 times and Health Sub 3 times. The review programme for scrutiny covered two reviews: (i) youth violence and (ii) highways maintenance. The annual scrutiny report was presented to full Council in May 2019.

3.17 Internal Audit

Assurance arrangements during 2018/19 conformed with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)*. The Internal Audit Service is required to comply with the Public Sector Internal Audit Standards and to be reviewed externally against these standards every five years and internally regularly. An external peer review in June 2017 confirmed that the service 'generally complies' with the Public Sector Internal Audit Standards and the 2018 internal assessment confirmed this assessment.

3.18 Audit Committee

The duties of the audit committee are undertaken by the Governance, Audit, Risk Management & Standards Committee and an Internal Audit review undertaken during 2018/19 has established it generally operates in-line with the core functions of an audit committee as identified in *Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2017)*. An action plan has been agreed to implement the eleven recommendations made in the report and one of the key actions to

update the Committee's Terms of Reference has already been implemented. The new Terms of Reference was approved by Council and included in the constitution in February 2019.

3.19 External Audit

During the early part of 2018/19 the authority provided timely support, information and responses to the Council's external auditors, KPMG, and properly considered their audit findings in relation to the 2017/18 accounts completed in May 2018. No recommendations were made by the auditors in relation to these accounts and all previous recommendations had been addressed. New external auditors to the authority, Mazars, were appointed via the Public Sector Audit Appointments (PSAA) for the audit of 2018/19 accounts and work is ongoing to provide them with timely support, information and responses to enable them to undertake the audit of the Council's accounts.

3.20 Joint Working

Joint working, working in partnership with other local authorities and other bodies, and the use of alternative delivery vehicles has increased over recent years as local government generally, and Harrow Council specifically, has coped with less resources.

The importance of good governance within these arrangements has been recognised and as part of the 2018/19 annual governance review the governance arrangements for the shared legal service (HBPL) and the authority owned trading company Smart Lettings have been reviewed and updated for 2018/19 and assurance obtained that reasonable governance arrangements are in place.

In addition the governance arrangements in place during 2018/19 for the Sancroft Partnership, the HR Shared Service and Project Infinity were assessed and assurance obtained that reasonable governance arrangements are in place.

In September 2018 the ongoing review of arrangements for Project Infinity identified some issues with the commercial pipeline for the project. This led to a formal review being undertaken in January 2019 that concluded that the business case for Harrow Council no longer supported the continuation of the partnership and therefore the partnership has been dissolved.

On 30th September 2018 Buckinghamshire County Council (BCC) gave one year's notice, in compliance with the Inter Authority Agreements, of its intention to exit both the Human Resources & Development and the Legal Services shared service. The reason given by BCC for the notice was to enable them to concentrate on preparation for the upcoming Unitary announcement however it is recognised by Harrow management that the level of resources required to run the HR service with

an appropriate level of management and technical skill will require review when transferring the service back in-house.

3.21 Health & Safety

Following on from the peer review of Health & Safety Management undertaken during 2016/17 a Corporate Health & Safety Strategy was developed for 2017/18 with the stated purpose to implement the findings of the peer review to ensure that the aims, objectives and outcomes are met. The strategy, approved by the GARMS Committee in July 2018, contains an action plan setting out how, when and by whom this will be achieved.

The Corporate Health & Safety Board was re-established in December 2017 chaired by the Corporate Director of Community and comprising of the Director of Finance, Divisional Directors, representatives from UNISON and GMB trades union, and Corporate Human Resources. The Board has met monthly throughout 2018/19. During 2017/18 the Board's Terms of reference was reviewed and agreed giving it a clear focus on implementing the Council's Health and Safety policy through agreed best practice, as well as developing Health and Safety management systems and procedures.

An annual H&S report was presented to the Corporate Health & Safety Board at the end of May 2018, CSB in June 2018 and to the GARMS Committee meeting in July 2018.

Funding of £80,000 was agreed for 2018/19 – 2019/20 as a one-off to create additional capacity and the expertise required to lead the implementation of the Corporate Health & Safety Strategy and action plan across the council. This has been used to appoint a Health & Safety Compliance Officer from February 2019 for 10 months.

4. Level of Assurance

The 2018/19 annual governance review has provided assurance that a reasonable level of governance is in place across the Council and that, other than the significant gap identified in paragraph 6, arrangements continue to be fit for purpose in accordance with the governance framework.

The Head of Internal Audit's overall opinion on the adequacy and effectiveness of the organisation's framework of governance, risk management and control based on the annual review of governance and the assurance work of Internal Audit throughout 2018/19 is: **Good with improvements required in a few areas:** The outputs from the programme of work completed by Internal Audit, based on the agreed risk-based Internal Audit Plan, demonstrate that the Council's framework of governance, risk management and control is generally good. Three red and two red /amber assurance reports have been issued identifying significant weakness and/or non-compliance in the framework which could potentially put the achievement of objectives in these areas at risk. Improvements have been recommended in these

areas of which 97% have been agreed by management (1 low risk recommendation was not agreed and 1 high risk recommendation was only partially agreed at this time with the intention of implementing it fully in the future).

5. Previous Significant Governance Issues

5.1 Health & Safety

A significant governance gap was identified in the 2016/17 and the 2017/18 statement in relation to the Corporate Health & Safety arrangements.

As detailed in paragraph 3.21 the implementation of the actions contained in the strategy is ongoing. A new policy and three year strategy incorporating a new Corporate H&S Plan for 2019/20 with clear performance measures and a clearer understanding of the tasks to be undertaken and the timescale in which they will be undertaken and this is due to be submitted to the GARMS Committee in July 2019 for approval along with the annual report for 2018/19 which is currently being drafted. Specifically the new strategy aims to build on the work already achieved to date in improving the health and safety management systems across the Council and thereby reducing illness, ill-health damage and loss, whilst continuing to deliver services to the people within the London Borough of Harrow. The strategy provides a clear direction on the following priorities over the next three years:

- *Maintaining and improving the Council's safety management system;*
- *Completing a series of audits, risk assessments and surveys;*
- *Maintaining an Asbestos survey programme;*
- *To support managers and staff in achieving suitable levels of health & safety competency;*
- *To ensure the Occupational Health Service continues to provide adequate health surveillance, return to work rehabilitation, health promotion and reduction of work-related sickness absence;*
- *To build on the communication and consultation arrangements to ensure staff are fully involved and committed to achieving acceptable health and safety standards;*
- *To encourage greater visible and active leadership on health and safety matters by managers;*
- *To align health and safety more closely with the overall Risk Management arrangements;*
- *To ensure good health and safety practice in our relationships with partners.*

5.2 Regeneration Governance

During 2017/18 CSB identified governance weaknesses relating to the oversight, agreement and monitoring of regeneration projects within in the Council's Regeneration Programme. To address these the Building A Better Harrow Board was formed with the main purpose being to provide an overarching strategic view of

regeneration in its broadest sense across the Council e.g. including regeneration of Council assets, schools, housing development plan, development of the new Council depot, and a clear understanding of the links between investment, performance and outcomes. The Board is chaired by the Corporate Director of Community and comprises the Chief Executive, Divisional Director People (representing the Corporate Director People), Director of Adult Social Care, Director of Finance, and the Monitoring Officer. It has an agreed Terms of Reference and meets monthly. A cross council working group consisting of officers with appropriate skills, knowledge and responsibility was also established to further develop and implement the organisational change programme required to implement the new governance structure during 2018/19.

In addition to this an external review of the Regeneration Strategy was undertaken during 2018/19 which led to the Council taking the time and opportunity to reset the Regeneration Programme and delivery strategy and an Internal Audit review of the governance, risk management and internal controls in place for the Regeneration Programme which led to a red assurance report and an agreed action plan to improve processes.

A management self-assessment of the progress of the implementation of the audit recommendations undertaken in March 2019 indicated that 33% of the agreed actions were on track, 42% were in progress/partially implemented, 8% were not yet due for implementation and 17% were outstanding.

A formal Internal Audit follow-up of the implementation of the agreed actions completed in June 2019 has provided an Amber Assurance with 36% of recommendations fully/substantially implemented at this stage with implementation being generally slower than original planned. This has, however, increased the level of internal controls operating/substantially operating to 66% from the 36% found in the original review demonstrating that a significant improvement has been made to the governance, risk management and internal control processes in place for the Regeneration Programme. As number of the outstanding recommendations are imminently due to be implemented e.g. updates to the constitution are due to be presented to Council in July, a further follow-up will be undertaken in August to assess the impact of these.

Taking into account the scale of the Regeneration Programme during 2018/19, and the improvements made to the governance, risk management and internal control processes, regeneration governance is no longer considered a significant governance gap for the Council.

6. Significant Governance Issues 2018/19

6.1 Health & Safety

Although action has been taken during 2017/18 and 2018/19 to reduce the governance gap identified in 2016/17 by improving the governance structure for Health & Safety further action is still required during 2019/20 to embed best practice both corporately and within directorates, as one Council. A follow-up of the Health & Safety action plan referred to in para 3.21 above, undertaken by the Council's Internal Audit service during 2018/19, confirmed that 43% of agreed actions have been fully or substantially implemented with 7% partially implemented and 50% yet to be implemented. The risk that this presents to the Council is included in the Corporate Risk Register and as at Q4 2018/19 was rated as a medium likelihood with a critical impact and as such is flagged as a red risk. Consequently, at this time, it is recognised that there remains a significant governance gap in the Council's Health & Safety arrangements.

This will be addressed by the full implementation of the action plan contained within the Health & Safety Strategy document which has taken longer than originally anticipated as the Health & Safety culture needs to be rebuilt and embedded across the entire Council and more realistic timescales for this are contained within the new strategy 2019-2022 as referred to in paragraph 5.1 above. A Corporate Health & Safety Handbook was issued to all staff in June 2019 and a Corporate Health & Safety team structure is currently being developed to provide a more joined up approach and greater continuity going forward.

7. Conclusion

Updates on the implementation of the agreed actions to address the significant governance gap identified in paragraph 6 above will be provided to the Governance, Audit, Risk Management and Standards Committee throughout 2019/20 until fully implemented and will be formally reported upon as part of the next annual review of governance.

8. Declaration

This annual governance statement is based on a self-assessment of the authority's governance arrangements supported by evidence provided by management and independent assurance provided by the Head of Internal Audit, Ofsted and the CQC and is signed on behalf of the authority by:

.....

Graham Henson

Leader

Date:

.....

Sean Harriss

Chief Executive

Date:

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ANNUAL GOVERNANCE REVIEW

2018/19 Evidence Table

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. (2007 Framework Core Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.)

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Behaving with integrity			
260 1.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<p>Codes of conduct for staff and members are in place Council values launched in March 2016 have been incorporated into the staff induction programme.</p> <p>The refreshed appraisal framework includes an assessment of individual demonstration of the values.</p> <p>The new Council values were developed through workshops with staff and members and endorsed by Cabinet in February 2016. They are integrated into the Corporate Plan. A review of the Council's recruitment processes has been completed and a more values based approach was introduced February 2018.</p> <p>A staff awards scheme is in place and run annually to:</p> <ul style="list-style-type: none"> •Showcase, recognise and celebrate examples of excellence with the Harrow Ambition and the corporate values •Celebrate, reward and communicate individual and team achievements at both Directorate and organisational levels •To encourage peer to peer and team recognition through a transparent, Directorate led nomination process •Further embed the Harrow Ambition Plan and the corporate values. 	<p>Code of Conduct (GS)</p> <p>Corporate Plan (GS)</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	<p>Code of conduct for Members in place as well as a Code of conduct for Employees.</p> <p>On election Members are given induction training and there is an annual training programme devised by the Membership Development Panel.</p> <p>Following the local government election in May 18, a welcome evening was held for all elected members on 8 May to cover Council values, conduct and member interests plus a Members marketplace was held on 15th May to explain key council services and there was a programme of Member mandatory training in May/June 2018.</p> <p>All Members have been provided with an induction pack post- election in May 2018. Current workshops with Members to establish behaviours aligned with the Doing it Together values and the Nolan principles. Leadership behaviours have also been included.</p> <p>Code of Conduct training took place on 17 May 2018 (43 attendees out of 63 members- 68%) and again on 16 January 2019 (6 attendees – of the 20 that did not attend the training on 17 May – a further 10%).</p> <p>Staff are briefed on the Code of Conduct in their informal induction sessions with their line manager.</p> <p>The Staff employee Code of Conduct is accessible to all staff on the Hub. The link is now sent along with the relevant employee handbook to all new starters.</p>	<p>Code of conduct for Members (GS)</p> <p>Code of conduct for Employees (GS)</p> <p>Induction Checklist (GS)</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.3	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions	<p>The Governance Audit and Risk Management Committee was amalgamated with the Standards Committee on 12 June 2014. Terms of reference for the Committee are contained in the constitution. Dates of meetings can be found on the Council website.</p> <p>Members' code of conduct requires that members have regard to advice given by Monitoring Officer and Chief Finance Officer and that they must not act in a manner which causes the Council to act unlawfully.</p> <p>Code of Conduct training took place on 17 May 2018 (43 attendees out of 63 members) and again on 16 January 2019 (6 attendees – of the 20 that did not attend the training on 17 May).</p> <p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management and legal implications.</p> <p>Example of minutes where interests were declared can be found on the Council website.</p> <p>A minor gap was identified in 2017/18 regarding the risk management section of Cabinet reports. It was agreed that when reviewing reports in their name Corporate Directors would ensure that all potential key risks relating to the proposals in the reports had been identified along with the current controls in place, underway or planned to mitigate the risks within the risk management section of the report in accordance with corporate guidance. It was agreed that a sign –off process would be introduced and evidence on the committee reports for Corporate Directors to sit alongside the statutory officer sign-offs. A new template has been produced and will be used from April 2019. Additional guidance on Corporate Director sin-off to be included from July 2019.</p>	<p>Terms of Reference (GS)</p> <p>Members code of conduct (GS)</p> <p>Template for committee and cabinet decisions (GS)</p>	<p>Minor Gap 17/18 IA review identified that risk management section of Cabinet reports not robust, this continued to be a gap during 2018/19 however new Corporate Director sign-off process introduced in April 2019 with specific responsibility for ensuring risk section robust will close this gap for 2019/20.</p>

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.4	<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>Members' code of conduct requires members to declare interests and if it is a Disclosable Pecuniary Interest as defined in legislation to withdraw from the room and not to participate any further in any discussion or vote.</p> <p>Members are required to declare their interests on a register of interests and these are published on the Council's website.</p> <p>Example of minutes where interests were declared can be found on the Council website.</p> <p>The Gifts and Hospitality Protocol provides guidance to members on acceptance of gifts and hospitality and when and how these must be declared. A register of members' gifts and hospitality is kept up to date.</p> <p>Employee code of conduct sets out rules on the acceptance of gifts and hospitality. Registers are kept in each department.</p> <p>Whistleblowing policy is available to staff on the intranet and available to the public on the governance pages of the website.</p> <p>2018/19 Management Assurance exercise has confirmed that register of interests and gifts& hospitality maintained and updated by each Directorate.</p> <p>A Corporate Complaints policy in place.</p> <p>The Corporate Anti-Fraud and Corruption Strategy 2016-19 was reviewed during 2018-19 but no changes were made due to an expected update to the Local Government Fighting Fraud & Corruption Locally Strategy in 2019-20. The Council's Corporate Anti-Fraud Team undertook a self-assessment against the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) during 2018/19 that reviewed progress against the five main principles within the code to improve the Council's arrangements. The result was a compliance level of 78%, an improvement from 75% in 2017/18, indicating that the authority has reached a 'good level' of performance against the code. Further actions have been built into the 2019/20 Corporate Anti-Fraud plan to improve fraud risk resilience and progress against the actions contained within the Fraud Strategy will be reported to the GARMS Committee in July 2019.</p>	<p>Members code of conduct (GS)</p> <p>Gifts and Hospitality Protocol (GS)</p> <p>Employee code of conduct (GS)</p> <p>Whistleblowing policy (GS)</p> <p>Corporate complaints policy (GS)</p> <p>Corporate Anti-Fraud and Corruption Strategy 2016-19 (GS)</p>	<p>2018/19 No Gap (2017/18 minor Gap closed as Whistleblowing Policy now available on Council web-site)</p>

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Demonstrating strong commitment to ethical values			
1.5	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<p>Financial regulations Contract procedure rules Constitution</p> <p>The scrutiny function comprises an overview and scrutiny committee, a performance and finance sub-committee, and lead scrutiny councillors for:</p> <ul style="list-style-type: none"> • Public Health and Wellbeing • Community and Regeneration • Children and Families • Adult Services • Corporate Resources <p>The function is driven by the need to hold the council and our partners to account for their performance and the establishment of the performance and finance sub-committee as the driver of scrutiny is a key component in ensuring that the function is focused on the issues of the greatest importance to the council. The lead members ensure that expertise to tackle particular areas of service delivery is maintained.</p> <p>The structure is subject to regular review and is supported by meetings of the scrutiny leadership group, comprising the leads and the chairs and vice chairs of the committees, which considers agenda and review programmes, provides strategic direction for the function and overall co-ordination between the leads and committees.</p>	<p>Financial Regulations (GS)</p> <p>Contract Procedure Rules (GS)</p> <p>Constitution (GS)</p>	No Gap
1.6	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	<p>Employee code of conduct includes rules about general standards of conduct, personal interests, corruption and political neutrality. This is enforced via the Council's disciplinary policy.</p> <p>A whistleblowing procedure is available on the intranet.</p> <p>On election Members are given induction training and there is an annual training programme devised by the Membership Development Panel.</p> <p>Following the local government election in May 18, a welcome evening was held for all elected members on 8 May and there was a programme of Member mandatory training in May/June 2018.</p> <p>Code of Conduct training took place on 17 May 2018 (43 attendees out of 63 members) and again on 16 January 2019 (6 attendees – of the 20 that did not attend the training on 17 May).</p>	<p>Employee Code of Conduct</p> <p>Councils Disciplinary Procedure</p> <p>Whistleblowing Procedure</p> <p>Member mandatory training</p>	18/19 No Gap (17/18 gap no member training on code of conduct during 2017-18 – gap closed by member training provided early 18/19)

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.7	Developing and maintaining robust policies and procedures which place emphasis <u>on best practice and legislation</u>	<p>All our policies incorporate <u>legislation and employment law</u> best practice. Specifically Paragraph 1.4 of the Induction checklist under Knowledge and Understanding staff are asked to become aware of the range of Employment policies including Code of Conduct, Whistle Blowing Policy, Corporate Governance, Financial Regulations and Standards, Health & Safety Polices, Equal Opportunities Policy etc. The Council has developed a new Equalities Vision and an on-going Action Plan that sets out how we will achieve that vision. Progress is monitored by the Equalities Action Group which is made up of staff representatives from across the council. There is also the workforce equalities report that goes to the Employees' Consultative Forum each year. In addition there is also a separate annual report that the Policy Team put together which covers equalities for the whole borough and not just the workforce. The timescales for the reports are different and the Policy Team report for 18/19 (see attached (1.7.5) below) was produced in April 2019 covering 18/19 and the report for 18/19 going to the Consultative Forum will be produced in the autumn of 2019 (so the 17/18 report is the most recent – see also attached below)</p> <p>The annual Equalities in Employment report is presented to the Employee Consultative Forum – <i>Dec 18 covering 2017/18 report saved as evidence.</i></p> <p>The Corporate Development Programme includes events and activities supporting and promoting the Council's Equality Objectives. Copies of the evaluation sheets for these events are available to review.</p> <p>There is also a mandatory E learning module on an Introduction to Equalities and Diversity on the Council's e-learning portal 'POD'.</p> <p>An Equalities session is also included in the Corporate Induction.</p> <p>We have been reviewing our recruitment and selection training – face to face and e-learning – and this has included a refresh of equalities in recruitment. This was implemented in 2017/18.</p> <p>A commercial & Procurement Strategy is in place.</p>	<p>Induction checklist (GS)</p> <p>Equalities vision</p> <p>Workforce equalities report</p> <p>Policy Team annual report</p> <p>Equalities in Employment report</p> <p>Equalities and Diversity mandatory e-learning</p> <p>Corporate Induction Equalities Session</p> <p>Commercial & Procurement Strategy (GS)</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.8	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	<p>The principles of integrity, compliance and ethical standards which were originally established in the now disbanded Harrow Strategic Partnership are taken forward through 2 principal partnership bodies.</p> <p>Health and Wellbeing Board – Terms of Reference</p> <p>Safer Harrow – see ToR</p> <p>Commercial partnerships and shared services are covered by contracts/Inter Authority Agreements that detail standards required.</p>	<p>Health & Wellbeing Terms of Reference (GS)</p> <p>Safer Harrow Terms of Reference (GS)</p>	No Gap
Respecting the rule of law				
266 1.9	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<p>Constitution is kept up to date and compliant with the law. Reports recommending a decision to committees/cabinet/Council are cleared by a lawyer. Policies and practices are kept up to date and follow legal requirements. The Monitoring Officer attends the Corporate Board, Cabinet and Council.</p> <p>Changes made to the constitution during 2018/19:</p> <p>May 2018: Part 3A General Index and Terms of Reference (NWLJOSC & Planning ToR, new PH roles) Part 6 Members' Allowances Scheme</p> <p>Nov 2018: Article 11 – JOSC Joint arrangements Part 3A General Index and Terms of Reference Part 4B Committee Procedure Rules – Rule 30 Part 5L Anti Money Laundering Policy</p> <p>Feb 2019: Article 13 Decision Making – Principles amended for HP Part 3A General Index and Terms of Reference – GARMS ToR Part 4K Financial Regulations Part 6 Members' Allowances Scheme</p>	Constitution (GS)	No Gap

Core principles and sub-principles of good governance

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	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.10	Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	<p>Support from Legal Services and Democratic Services who advise members and officers about any relevant legislative or regulatory requirements.</p> <p>Any specific legislative requirements are set out in the terms of reference for the particular body e.g. Council must approve the appointment of a Head of Paid Service (Chief Executive).</p> <p>Contract procedure rules Financial regulations Delegations to officers are set out in part 3B of the constitution.</p> <p>The Monitoring Officer attends the Corporate Board, Cabinet and Council.</p> <p>CIPFA's <i>Statement on the Role of the Chief Financial Officer in Local Government</i> (CIPFA, 2016) was complied with during 2018/19.</p>	<p>Contract Procedure Rules (GS)</p> <p>Financial Regulations (GS)</p> <p>Delegations to officers (GS)</p> <p>CIPFA Statement of the Role of the CFO in Local Government (GS)</p>	No Gap
1.11	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<p>Legal support is provided for all major Council projects.</p> <p>The Monitoring Officer is a lawyer and attends the Corporate Board.</p> <p>Cabinet decision reports require legal clearance and decision report templates require legal comments which form the record of legal advice.</p>	Decision report template (GS)	No Gap
1.12	Dealing with breaches of legal and regulatory provisions effectively	<p>Reports recommending a decision to committees/cabinet/Council are cleared by a lawyer and the report template contains a section for legal comments.</p> <p>Members' code of conduct requires that members have regard to advice given by Monitoring Officer and Chief Finance Officer and that they must not act in a manner which causes the Council to act unlawfully.</p> <p>Whistleblowing procedure Complaints policy Disciplinary procedure</p>	<p>Decision report template (GS)</p> <p>Members Code of Conduct (GS)</p> <p>Whistleblowing Procedure (GS)</p> <p>Complaints Policy (GS)</p> <p>Disciplinary Procedure (GS)</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
1.13	Ensuring corruption and misuse of power are dealt with effectively	The Corporate Anti-Fraud and Corruption Strategy 2016-19 (GS) was reviewed during 2018-19 but no changes were made due to an update to the Local Government Fighting Fraud & Corruption Locally Strategy expected in 2019-20. The Council's Corporate Anti-Fraud Team undertook a self-assessment against the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) during 2018/19 that reviewed progress against the five main principles within the code to improve the Council's arrangements. The result was a compliance level of 78%, an improvement from 75% in 2017/18, indicating that the authority has reached a 'good level' of performance against the code. Further actions have been built into the 2019/20 Corporate Anti-Fraud plan to improve fraud risk resilience and progress against the actions contained within the Fraud Strategy will be reported to the GARMS Committee in July 2019.	Corporate Anti-Fraud and Corruption Strategy (GS) Self Assessment against Code of Practice	No Gap

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

2. Ensuring openness and comprehensive stakeholder engagement . (2007 Framework Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.)

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Openness			
269	2.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<p>The local authority website is a main channel for communication and includes information on Freedom of Information and a publication scheme (disclosure log) http://www.harrow.gov.uk/site/custom_scripts/php/FOI/FOISearch.php</p> <p>Harrow's Ambition Plan (Corporate Plan) demonstrates the organisation's commitment to openness. It is refreshed each year with a review of achievements, and plans for what will be delivered. 2018 refresh covering 2018/19 was agreed at the July 2018 Cabinet meeting and the 2019 refresh covering 2019/20 was agreed at the Council in February 2019.</p> <p>Openness is also maintained through regular publication of 'Harrow People' a free magazine for all residents published quarterly, which covers the local community issues alongside information on Council services</p> <p>Council tax information is made available via the web and a booklet explaining the make-up and use of Council Tax goes to all CT payers annually.</p>	<p>Harrow Council Website</p> <p>Harrow's Ambition Plan (GS)</p> <p>Harrow People</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
2.2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	<p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management and legal implications. Minutes record the reasons for a decision.</p> <p>Reports are published on the website and meetings are held in public unless there is a good reason for not doing so under the legislative rules and these are specified. The practice is that important discussions take place in public even if confidential papers are circulated to members.</p> <p>Access to Information rules are in the constitution.</p>	<p>Cabinet Decision template (GS)</p> <p>Access to Information Rules (GS)</p>	No Gap
2.3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management, equalities and legal implications (GS) that record professional advice. Minutes record the reasons for a decision.</p> <p>Agendas are published in accordance with the statutory requirements.</p> <p>A calendar of dates is produced for officers to ensure that reports are submitted, published and distributed in accordance with the statutory timescales.</p> <p>Decision making protocols included in Constitution – agreed to be reviewed as part of Regeneration action plan.</p>	<p>Cabinet Decision template (GS)</p> <p>Agendas of meetings (on Council website)</p> <p>Calendar of dates (GS)</p> <p>Decision making protocols (in Constitution – GS)</p>	Minor Gap 17/18 & 18/19 as per 1.3

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
2.4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	<p>A range of formal and informal consultations with a wide range of stakeholders informs Harrow's plans, priorities and targets. Harrow's current consultations can be found listed on the website.</p> <p>A full set of open and previous consultation is now found on the Consultation Portal https://consult.harrow.gov.uk/consult.ti/system/listConsultations?type=all</p> <p>The Consultation Portal is used for consultations and surveys of service users and residents. In addition, an annual Residents Survey is carried out independently by telephone to track residents views on the Council and key local issues.</p>	Consultation Portal (Council website)	No Gap
Engaging comprehensively with institutional stakeholders¹				
2.5	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	Whilst a Communication Strategy/Plan was not in place for 2018/19, the Council's Communications Team worked with all parts of the Council and a wide range of partner organisations and external stakeholders on media relations, marketing, campaigns, consultations, events, publications and social media in order to assist the Council in improving its relationship with its public. This includes keeping residents informed of Council activities, engaging them in dialogue around service delivery and soliciting their views to drive change.		Minor Gap 17/18 & 18/19 as no agreed communications plan in place from when team came back in-house April 18. This gap continues for 2018/19.

¹ Institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
2.6	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<p>Voluntary Action Harrow maintains a list of voluntary sector partners.</p> <p>Community Engagement Team has stakeholders' lists – e.g. park users, community champions.</p> <p>Other lists of stakeholders and user groups are maintained in other services around the Council e.g. Children Looked After representatives, Adult Social Care service users groups.</p>	Stakeholders list	No Gap
2.7	<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> • Trust; • a shared commitment to change; • a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit 	<p>The framework of effective working with partners and stakeholders is established in the values and priorities of the Harrow Ambition Plan.</p> <p>Establishment of shared commitment, trust and a culture of openness and challenge is exemplified in the terms of reference and constitution of the two principle partnership bodies, Safer Harrow and the Health and Wellbeing Board</p> <p>Partnership arrangements reviewed in 2018/19 (assisted self-assessment) for HBPL, Smart Lettings, Project Infinity, HR and Sancroft) demonstrated that these partnerships are based on trust a shared commitment to change; a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit.</p>	<p>Harrow Ambition Plan (GS)</p> <p>Partnership arrangement self-assessment</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap	
	Engaging with individual citizens and service users effectively				
273	2.8	<p>Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</p>	<p>Consultation Standards were adopted by Cabinet in July 2015 – see item 23 p803-816. See file Consultation Standards 2015 or link below.</p> <p>This sets out the way in which the Council will consult with residents and local organisations and business to ensure the right contributions to decision making.</p> <p>A record of public consultations both currently open and closed is held on the Consultation Portal</p> <p>https://consult.harrow.gov.uk/consult.ti/system/listConsultations?type=O</p>	<p>Consultation Standards (GS)</p> <p>Consultation portal (Council website)</p>	No Gap
	2.9	<p>Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p>	<p>Communication plan for 2019/20, currently going through CSB approval.</p> <p>Weekly Portfolio Holder meetings with Communications Team, Leader and Corporate Directors plus meetings on individual campaigns with key officers to monitor progress against the key campaigns and other major work e.g. Harrow People, etc.</p>	Draft Plan 2019/20	Minor Gap 17/18 & 18/19 as per 2.5

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
2.10	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<p>Communications Strategy see 2.5/2.9</p> <p>Harrow's Joint Strategic Needs Assessment aims to provide analysis of a wide range of analysis of health and wellbeing of the local population and can be found via this link http://www.harrow.gov.uk/info/100010/health_and_social_care/130/harrow_s_joint_strategic_needs_assessment/2</p> <p>Related documents</p> <ul style="list-style-type: none"> • Harrow Vitality Profiles http://www.harrow.gov.uk/info/200088/statistics_and_census_information/966/vitality_profiles • Child Poverty Strategy • Economic Impacts Dashboard • School Place Planning / Demography Report <p>A strategic assessment of crime and anti social behaviour is produced for the Safer Harrow Partnership which analyses key local issues. This informs the annual Community Safety and Violence, Vulnerability and Exploitation Strategy.</p> <p>In previous years a Reputation Tracker was used to test impacts of campaigns, this was not used in 2018/19 due to cost however it is being re-introduced for 2019/20.</p> <p>Value modes are used to evidence how campaigns are constructed and delivered.</p> <p>Origins population analysis and 'Cohesion Atlas' has been commissioned across Harrow, Barnet and Brent in early 2019 under the CMF funded 'Engaging Eastern European Communities programme'.</p>	<p>Communications Strategy</p> <p>Harrow's Joint Strategic Needs Assessment</p> <p>Harrow Vitality Profiles</p> <p>Child Poverty Strategy</p> <p>Economic Impacts Dashboard</p> <p>School Place Planning / Demography Report</p> <p>Community Safety and Violence, Vulnerability and Exploitation Strategy</p> <p>Reputation Tracker</p>	<p>Minor Gap 18/19 – No reputation tracker in used (due to cost) however it has been recognised as a gap and is being re-introduced for 2019/20</p>
2.11	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account	<p>Consultation protocols adopted in 2015 see 2.8.</p>	<p>Consultation Protocols</p>	<p>No Gap</p>
2.12	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	<p>Consultations carried out with residents and stakeholders during 2018-19 are listed in the Consultation Portal – included annual budget, new square in town centre, libraries changes, cycling and parking https://consult.harrow.gov.uk/consult.ti/system/listConsultations?type=all</p> <p>Services run user groups e.g. adult social care user groups, young people's forums to get a wide range of views and ensure that voices of less active are heard.</p>	<p>Consultation Portal</p>	<p>No Gap</p>

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
2.13	Taking account of the impact of decisions on future generations of tax payers and service users	<p>Examples of taking account of future impact of decisions can be found in Cabinet Papers. For example</p> <p>Cabinet 12 July 2019:</p> <ul style="list-style-type: none"> • School Organisation • Dementia Friendly Housing <p>Cabinet 17 Jan 2019:</p> <ul style="list-style-type: none"> • Climate Change Strategy <p>Harrow's Joint Strategic Needs Assessment looks at long terms trends and impacts and informs planning around health and social care http://www.harrow.gov.uk/info/100010/health_and_social_care/130/harrow_s_joint_strategic_needs_assessment/2</p>	<p>Example Cabinet papers</p> <p>Harrow's Joint Strategic Needs Assessment</p>	No Gap

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

3. Defining outcomes in terms of sustainable economic, social, and environmental benefits (2007 Framework Core Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.)

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Defining Outcomes			
276	3.1 Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions	<p>Harrow's vision is laid out in the Ambition Plan and is refreshed on an annual basis</p> <p>The Harrow Ambition Plan forms the basis for all corporate and service planning.</p> <p>Management Assurance exercise confirmed that service plan in place for each division within Community and People. All service plans reviewed link to Corporate Priorities. In Resources service plans in place for Strategic Commissioning Division & Customer Services & Business Transformation Division, Procurement Section and Internal Audit & Corporate Anti-Fraud. An Inter-Authority agreement is in place for HR.</p>	<p>Harrow Ambition Plan (GS)</p> <p>Service Plans</p> <p>Inter-Authority Agreement for HR</p>	<p>Minor Gap: 2017/18 & 2018/19 The Finance & Legal Divisions do not have up to date Service Plans</p>
	3.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<p>Service plans are developed for each Division which reflect the priorities and values in the HAP and detailed impact assessments are carried out for any major changes in service provision, particularly important for those driven by reduction in budget</p> <p>See also</p> <ul style="list-style-type: none"> • Consultation Standards & Consultation portal – links at 2.8 <p>Management assurance exercise confirmed that service plans in place in Community and People. In Resources service plans in place for Strategic Commissioning Division, Customer Services & Business Transformation Division, Procurement Section and Internal Audit & Corporate Anti-Fraud Division. An Inter-Authority Agreement is place for HR.</p>	<p>Service Plans</p> <p>Consultation Portal</p> <p>Inter-Authority Agreement for HR</p>	<p>Minor Gap as at 3.1</p>

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	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
3.3	Delivering defined outcomes on a sustainable basis within the resources that will be available	<p>Progress is tracked through the quarterly cycle:</p> <ul style="list-style-type: none"> • Improvement Boards • CSB Performance Morning • Strategic Performance Report to Cabinet <p>This looks at progress against the Harrow Ambition Plan The Annual Statement of Accounts provide a summary of achievements for each year.</p>	Annual Statement of Accounts (GS)	No Gap
3.4	Identifying and managing risks to the achievement of outcomes	<p>Weekly/monthly/quarterly & annual performance information tracker process & outcome indicators in place identifying trends or deficits and acting upon them. Evidence example: Quarterly Children's Safeguarding Reports</p> <p>A risk register is maintained for each major service area and is reported quarterly to the Improvement Board.</p> <p>The Corporate Risk Management Strategy was last reviewed and updated in 2016/17 and is currently be re-reviewed. The Corporate Risk Register is maintained and updated regularly.</p>	<p>Performance Tracker</p> <p>Quarterly Children's Safeguarding Reports</p> <p>Risk Registers</p> <p>Corporate Risk Management Strategy 2016/17 (GS)</p> <p>Corporate Risk Register</p>	No Gap
3.5	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	<p>The Harrow Ambition Plan and the related Corporate Scorecard which is reported in the Strategic Performance Report, referenced above, provide a clear set of priorities.</p> <p>See Strategic Performance Report Q2 2018-19 (Cabinet Jan 19) for example of reporting progress against HAP priorities and Corporate Scorecard</p> <p>Service plans match the available resources with an aim to provide value for money wherever possible, most often in the environment of reducing resources.</p>	<p>Harrow Ambition Plan (GS)</p> <p>Corporate Scorecard (GS)</p> <p>Strategic Performance Report</p>	No Gap
Sustainable economic, social and environmental benefits				
3.6	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	<p>Two year Capital Programme reviewed and updated annually. 2019/20 – 2020/21 draft agreed by December 2018 Cabinet and final agreed at February 2019 Cabinet.</p> <p>In 2018/19 under the Prudential Code there was a new requirement for a more detailed capital strategy as part of the Treasury Management (TM) strategy and this has been given full effect via the February 2019 Cabinet report.</p>	<p>Capital Programme (GS)</p> <p>Prudential Code</p> <p>Treasury Management Strategy</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
3.7	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	<p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management, equalities and legal implications. Minutes record the reasons for a decision.</p> <p>Article 13 of the constitution sets out the principles of decision-making.</p> <p>Cabinet reports required to have Finance clearance and comment.</p> <p>In 2018/19 the Regeneration Strategy was significantly revised to a much lower level of spend (£172M removed from the budget) and so in the Plan's overall ambition and scope. This action is undertaken consistent with Point 3.7</p>	<p>Cabinet Decisions Template (GS)</p> <p>Article 13 in Constitution (GS)</p>	No Gap
3.8	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management, equalities and legal implications. Minutes record the reasons for a decision.</p> <p>Article 13 of the constitution sets out the principles of decision-making currently being reviewed by the Monitoring Officer in response to an Internal Audit recommendations made as part of the Regeneration.</p> <p>See Consultation Standards adopted in 2015 http://www.harrow.gov.uk/www2/documents/g62717/Public%20reports%20pack%20Tuesday%2014-Jul-2015%2018.30%20Cabinet.pdf?T=10</p> <p>All key decisions are recorded in Committee Documents which are made public, available via link below: http://www.harrow.gov.uk/www2/ieDocHome.aspx?bcr=1</p>	<p>Cabinet Decisions Template (GS)</p> <p>Article 13 in Constitution (GS)</p> <p>Consultation Standards</p> <p>Committee Documents</p>	Minor gap 2017/18 & 2018/19 as per 1.3

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
3.9	Ensuring fair access to services	<p>Service provision is measured in key areas – social care, housing, education, youth offending – to compare provision and outcomes for different groups – by age, ethnicity and other protected characteristics.</p> <p>See equality and diversity section of Harrow Website http://www.harrow.gov.uk/homepage/126/equality_and_diversity?WT.ac=equality_and_diversity</p> <p>'Our Harrow, Our Community' is a narrative of the services and projects being delivered by the Council which not only support our Corporate Priorities but address inequality, advance equality and foster good relations. 2018 document included in evidence.</p> <p>There is a mandatory e-learning module on an Introduction to Equalities and Diversity on the Council's Learning Hub. The Corporate Development Programme includes events and training supporting and promoting the Council's Equality Objectives, e.g. MH peer training, Mindful Manager.</p> <p>The Council has adopted an Equality in Procurement guide which includes the aspiration that "As a procurer of goods and services, we are committed to ensuring our commissioning processes are fair and equitable and that service providers delivering a service on our behalf share our commitment to equality and diversity."</p> <p>Complaints procedure The Council takes account of any recommendations arising from inspections by external bodies. Data is collected about characteristics of service users.</p>	<p>Harrow Council Website – Equality & Diversity</p> <p>Equality & Diversity mandatory e-learning</p> <p>Corporate Development Programme</p> <p>Equality in Procurement Guide</p> <p>Complaints Procedure (GS)</p>	No Gap

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

4. Determining the interventions necessary to optimise the achievement of the intended outcomes *(Not covered in the 2007 Framework)*

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap	
	Determining Interventions				
280	4.1	<p>Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided</p>	<p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management, equalities and legal implications.</p> <p>Article 13 of the constitution sets out the principles of decision-making that are currently being reviewed by the Monitoring Officer in response to an Internal Audit recommendations made as part of the Regeneration Review.</p>	<p>Cabinet Decision Template (GS)</p> <p>Article 13 of the Constitution (GS)</p>	Minor Gap 17/18 & 18/19 as per 2.3
	4.2	<p>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</p>	<p>The Final Revenue Budget 2019/20 and Medium term Financial Strategy 2019/20 – 2020/22 was reported to Cabinet in February 2019 and included a specific appendix (14).</p> <p>Cabinet report covers details of the budget consultation.</p> <p>There was wide public consultation on the whole budget framework above (see budget report section for detail) and incl. the Final Revenue Budget 2019/20 and MTFS in the report 2019/20 – 2020/22.</p>	<p>Final Revenue Budget 2019/20 (GS)</p> <p>MTFS 2019/20 – 2020/22 (GS)</p> <p>Cabinet Report</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Planning Interventions			
4.3	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Key decision schedule. GS	Key decision schedule (GS)	No Gap
4.4	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	See 2.5 above HAP + MTF determine how to deliver. Communications team then support.		No Gap
4.5	Considering and monitoring risks facing each partner when working collaboratively, including shared risks	See examples for partnership protocols and framework above at 1.8. Shared Service reviews (assisted self-assessment) confirmed covered by Inter-Authority Agreements	Self Assessment Shared Services	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
282	4.6 Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances	<p>Council is agile and flexible in responding to the reality of huge funding cuts and minimising impact, plus in generating new income streams.</p> <p>Recent examples of flexibility in application of council resources in changing circumstances include:</p> <p>Innovative and preventative approaches to children's services in response to growing demands and reduction in resources, redeploying staff and working with health and other partners e.g. Early Support, Keeping Families Together/Edge of Care.</p> <p>Transformation in adult social care – Early Intervention, prevention, improved pathways through care.</p> <p>Income generation across Council under Project Phoenix.</p> <p>It is possible to waive the contract procedure rules in some cases including emergency. The Constitution contains provisions for urgent decisions to be made where this cannot otherwise be done by the usual process.</p> <p>Under the scheme of delegation in the constitution the Chief Executive can take any decisions which are delegated to the corporate director.</p> <p>Arrangements to take on agency staff to deal with peaks or troughs in workload can be made through the Council's contract with Pertemps.</p>	<p>Contract Procedure Rules (GS)</p> <p>Constitution (GS)</p>	No Gap
	4.7 Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<p>Each service area contributes to a Directorate scorecard of key indicators which is produced quarterly and reported to the Improvement Board. The most important indicators feed into the Corporate Scorecard.</p> <p>Detailed scorecards and related documents are available via Sharepoint.</p> <p>See Strategic Performance report for example of final quarterly report to Cabinet.</p> <p>Management Assurance exercise confirmed KPIs established for each Division within Community, People and Resources and reported via Improvement Boards quarterly.</p>	<p>Scorecard directorate & corporate</p> <p>Strategic Performance Report</p> <p>Management Assurance</p>	No Gap
	4.8 Ensuring capacity exists to generate the information required to review service quality regularly	<p>As above – see improvement board papers which are produced quarterly and include a range of performance, finance, HR and risk information.</p>	<p>Improvement board papers</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
4.9	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	Feb 2019 Cabinet report above demonstrates the links between budgets set in-line with council objectives (see Background Section).	Cabinet report Feb 2019	No Gap
4.10	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	Corporate Plan and Medium Term Financial Plan as above in pace. There is a corporate plan in place, the Harrow Ambition Plan, which is updated annually. Budget Guidance and protocols covered in Financial Regulations	Corporate Plan (GS) Medium Term Financial Plan (GS) Financial Regulations (GS)	No Gap
Optimising achievement of intended outcomes				
283 4.11	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Member and Officer financial and budget away days for the 2018/19 budget held in September 2018 with separate away days for capital. Medium term financial strategy links to the Corporate objectives that link to service objectives. Member and senior management review of 2018/19 budget proposals (similar to commissioning panels)	Medium Terms Financial Strategy (GS)	No Gap
4.12	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	Budget guidance and protocols contained in Financial Regulations See 2018/19 budget report (February 2018)	Financial Regulations (GS) Budget Report	No Gap
4.13	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	Medium Term Financial Strategy (GS) in place and sets context – see Cabinet reports Dec 18 and Feb 19.	Financial Regulations (GS) Cabinet reports Dec 18 / Feb 19	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
4.14	Ensuring the achievement of 'social value' through service planning and commissioning	<p>Procurement Strategy (GS) covers Sustainability – Delivering Local Economy, Social and Community Benefits.</p> <p>Helping the Council achieve social value is part of the procurement vision.</p> <p>Management assurance exercise confirmed that social value is considered as part of service planning process and is monitored and reported upon in Community, People and Resources Directorates.</p>	<p>Procurement Strategy (GS)</p> <p>Management Assurance</p>	No Gap

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

5. Developing the entity's capacity, including the capability of its leadership and the individuals within it (2007 Framework core Principle 5: Developing the capacity and capability of members and officers to be effective and Core Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.)

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Developing the entity's capacity			
285 5.1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	See quarterly process for accountability and governance <ul style="list-style-type: none"> Improvement Boards – available via Sharepoint CSB Performance Morning Strategic Performance Report to Cabinet 	Improvement Board papers Strategic Performance Report	No Gap
5.2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently	Benchmarking is a standard part of reporting on services and nearest neighbour and national comparators are provided as part of Improvement Board reporting. Examples of more detailed benchmarking of services in 2018/19 include: <ul style="list-style-type: none"> Adult social care scorecard Youth Offending scorecard Included in evidence file In Adult Services a review of service delivery and value for money was undertaken during 2018/19 by consultants IMPOWER that has been used to inform the Audit Social Care Transformation Programme. 2018/19 Management assurance exercise has confirmed that benchmarking and other options are used within Community, People and Resources to improve the use of resources.	Improvement Board papers Management Assurance	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
5.3	Recognising the benefits of partnerships and collaborative working where added value can be achieved	<p>For examples of collaborative working and effective partnership see details of Health and Wellbeing Board and Safer Harrow at 1.8 above.</p> <p>Further examples are</p> <ul style="list-style-type: none"> ▪ Harrow Safeguarding Children's Board http://www.harrowlscb.co.uk/ ▪ Harrow Youth Offending Board <p>Full sets of agenda and papers available on request</p> <p>Shared Service assessments confirmed IIAs in place for shared services covering effective operation and agreed outcomes.</p>	<p>Health & Wellbeing / Safer Harrow Terms of Reference</p> <p>Shared Service assessments</p>	No Gap
286 5.4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<p>Workforce data including turnover, use of agency staff, sickness absence etc is reviewed by Improvement Boards quarterly and improvement actions put in place where required.</p> <p>An organisational development (OD) plan linked to the Harrow 20/20 vision was agreed for 2016/17. There is no live OD plan in place for 2018/19 (only an out of date document) and this gap continues for a further year in 2018/19.</p> <p>There is similarly no live current workforce strategy in place (which is a sub-set of the OD plan) for 2018/19 and this gap continues in 2018/19. The organisation is still producing ad hoc HR outputs, such as the Corporate Leadership Programme for First Line and Middle Managers funded by the Apprenticeship Levy but nothing that really exists under an overall umbrella HR strategy.</p> <p>Factors relating to this include the Council's withdrawal from the shared services arrangements with Buckinghamshire and also the need to await the appt. of a new CE and related Sen. leadership posts at the Council.</p>		Minor Gap 17/18 & 18/19 - Organisational Development Plan and Corporate Workforce Strategy still in development

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Developing the capability of the entity's leadership and other individuals			
5.5	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	<p>Member officer protocol</p> <p>Portfolio Holder roles are defined in the constitution</p> <p>Areas of responsibility of Chief Executive is set out in Article 12 of the Constitution</p> <p>Constitution sets out the role of the Chief Executive and the Leader</p> <p>Member/Officer roles and relationships are covered in the Member development training programme. Following the local government election in May 2018, a welcome evening was held for all elected members on 8 May together with a programme of Member mandatory training in May/June 2018.</p>	<p>Member officer protocol (GS)</p> <p>Portfolio Holder roles are defined in the constitution (GS)</p> <p>Areas of responsibility of Chief Executive is set out in Article 12 of the Constitution (GS)</p> <p>Constitution sets out the role of the Chief Executive and the Leader (GS)</p>	No Gap
5.6	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	<p>Constitution sets out functions reserved to full council or are for Cabinet and those which are delegated to committees or officers.</p> <p>Financial Regulations (reviewed during 2018/19) and Contract Procedure Rules reviewed regularly.</p>	<p>Constitution (GS)</p> <p>Financial Regulations and Contract Procedure Rules (GS)</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
5.7	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	<p>Member officer protocol (GS)</p> <p>Areas of responsibility of Chief Executive is set out in Article 12 of the Constitution</p> <p>Constitution sets out the role of the Chief Executive and the Leader (GS)</p> <p>Regular one to one meetings are held between the Leader and the Chief Executive.</p>	Member officer protocol (GS)	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
5.8	<p>Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	<p>Regular training sessions are held for members. Member training was conducted on safeguarding children (9 May 2017); Licensing (27 July 2017) and General Data Protection Regulation (29 January 2018)</p> <p>Following the local government election in May 2018, a welcome evening was held for all elected members on 8 May together with a programme of Member mandatory training in May/June 2018.</p> <p>A peer review by the Local Government Association took place in 2016.</p> <p>Senior manager capabilities are reviewed at appraisal.</p> <p>All managers and staff are required to have a personal development plan related to their performance objectives and appraisal. The Council runs a Corporate Induction sessions every 6 weeks (throughout 2018/19) to ensure all new members of staff are inducted in a timely manner. HR policy has been changed to ensure that new members of staff should not pass probation unless they have attended induction.</p> <p>A staff induction checklist is in place.</p>	<p>Member mandatory training</p> <p>Appraisals</p> <p>Corporate Induction</p> <p>Staff Induction Checklist</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
5.9	Ensuring that there are structures in place to encourage public participation	<p>See details on consultation above at 2.8.</p> <p>A further example is the Residents Regeneration Panel which is in place to get views and inputs to the major regen programme in Harrow</p> <p>Specific residents groups are set up where there is value examples are adult social care user groups, tenants and leaseholders groups.</p>	<p>Consultation Portal</p> <p>Residents Regeneration Panel</p> <p>Resident Groups</p>	No Gap
5.10	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<p>Appraisals are carried out at all levels of the organisation including for members and managers and appraisals are required to demonstrate alignment with organisational priorities and values https://harrowhub.harrow.gov.uk/info/200283/learning_and_development/1503/new_appraisal_system_20162017</p> <p>Major Ofsted inspection 2017 (outcome 'Good') followed by focused visit around front door and Early Intervention during 2018. Have been used to drive service improvement and involved a strong degree of self- assessment and peer input.</p> <p>PeopleToo consultancy reviews of Children's Social Care and SEND.</p> <p>ImPower review of adult social care – to assess value for money and recommend systems and processes for driving improvement.</p>	<p>Appraisals</p> <p>External Reviews</p>	No Gap
5.11	Holding staff to account through regular performance reviews which take account of training or development needs	<p>There is a Corporate Development Programme which is reviewed and aligned to business priorities annually.</p> <p>Aligning the corporate development programme to business priorities was started by HR as part of the shared arrangements but it subsequently proved difficult to do this because of the nature of the P1 and P3 objectives and the focus then changed during 18/19 to alignment with business and organisational requirements as this was more feasible. For 19/20 the new corporate priorities (P1 -P5) will be reviewed to see if it is more practical and feasible for the corporate development programme to be aligned to them as business priorities.</p> <p>All managers and staff are required to have a personal development plan related to their performance objectives and appraisal.</p> <p>Corporate appraisal process that is monitored for compliance.</p>	<p>Corporate Development Programme</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, and documentation demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
5.12	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<p>A range of HR policies/services are in place to support the health and wellbeing of staff including:</p> <ul style="list-style-type: none"> • Occupational Health Services; • Employee Assistance Programme; • A Career Support Portal (covering mental wellbeing) • Mental Health Awareness for Managers Workshops • Mental Health Awareness E-Learning for staff • Mental Health First Aiders in place – coordinated by Public Health 	HR Policies and Services	No Gap

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

6. Managing risks and performance through robust internal control and strong public financial management (2007 Framework Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.)

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap	
292	Managing risk				
	6.1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	Covered by the Risk Management Strategy and Policy	Risk Management Strategy and Policy (GS)	No Gap
	6.2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	A Risk Management Strategy and Policy is in place, (currently being reviewed and updated) that outlines the robust and integrated risk management arrangement required. The Corporate and Directorate risk registers are reviewed and updated regularly.	Risk Management Strategy and Policy (GS) Quarterly Corporate risk Management reports to CSB/GARMS	No Gap
	6.3	Ensuring that responsibilities for managing individual risks are clearly allocated	Responsibility for managing individual risks are clearly allocated and recorded in agreed format for risk registers.	Corporate/Directorate risk registers.	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
Managing performance				
6.4	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	<p>Timetable and guidance for quarterly performance in place</p> <p>Outputs:</p> <ul style="list-style-type: none"> Improvement Board reports and backing papers CSB Performance Morning Strategic Performance Report to Cabinet <p>Key decision schedule in place</p>	<p>Timetable on Harrow Hub</p> <p>Improvement Board reports on SharePoint</p> <p>CSB papers on SharePoint</p> <p>Strategic Performance Reports to Cabinet on Council website</p> <p>Key decision Schedule (GS)</p>	No Gap
293 6.5	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	<p>Templates for committee and cabinet decisions include sections on options, financial implications, risk management, equalities and legal implications.</p> <p>Article 13 of the constitution sets out the principles of decision-making.</p> <p>All agenda and minutes of Committee meetings are published on the Council's website.</p>	<p>Templates for committee and cabinet decisions (GS)</p> <p>Article 13 of the constitution (GS)</p> <p>Committee agenda and minutes on Council website</p>	Minor Gap 17/18 & 18/19 as per 1.3

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap	
294	6.6	<p>Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</p>	<p>The scrutiny function comprises an overview and scrutiny committee, a performance and finance sub- committee, and lead scrutiny councillors for:</p> <ul style="list-style-type: none"> • Public Health and Well being • Community and Regeneration • Children and Families • Adult Services • Corporate Resources <p>The function is driven by the need to hold the council and our partners to account for their performance and the establishment of the performance and finance sub-committee as the driver of scrutiny is a key component in ensuring that the function is focused on the issues of the greatest importance to the council. The lead members ensure that expertise to tackle particular areas of service delivery is maintained.</p> <p>The structure is subject to regular review and is supported by meetings of the scrutiny leadership group, comprising the leads and the chairs and vice chairs of the committees, which considers agenda and review programmes, provides strategic direction for the function and overall co-ordination between the leads and committees.</p>	<p>Scrutiny ToR (GS)</p> <p>Details of Harrow's scrutiny function can be found on the Council's website</p>	No Gap
	6.7	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>Timetable and guidance for quarterly performance in place.</p> <p>Outputs:</p> <ul style="list-style-type: none"> • Improvement Board reports and backing papers – available via Sharepoint • CSB Performance Morning • Strategic Performance Report to Cabinet 	<p>Timetable and guidance for quarterly performance on Harrow Hub</p> <p>See evidence for 6.4</p>	No Gap
	6.8	<p>Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)</p>	<p>Financial Regulations and Contract Procedure rules in place.</p> <p>Budget monitoring undertaken monthly for revenue and quarterly for capital – reported to CSB monthly and Cabinet at least quarterly (P2, Q1,Q2, Q3, outturn).</p>	<p>Financial Regulations (GS)</p> <p>Contract Procedure Rules (GS)</p> <p>CSB reports on SharePoint</p> <p>Cabinet reports on Council's website</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
Robust internal Control				
6.9	Aligning the risk management strategy and policies on internal control with achieving objectives	Risk Management Strategy in place, Corporate Risk Register, Internal Audit Plan and reports aligned to Corporate and service objectives.	RM Strategy (GS) Corporate Risk Register reports to CSB + GARMS Internal Audit Plan report to GARMS (GS)	No Gap
6.10	Evaluating and monitoring risk management and internal control on a regular basis	Risk Management strategy/policy in place and currently being reviewed and updated.		Minor Gap – Risk Management Strategy be formally approved once updated
295 6.11	Ensuring effective counter fraud and anti-corruption arrangements are in place	Compliance with Code monitored and action plan in place – 2018/19 self- assessment Green Assurance – 78% compliance (see 1.13)	2018/19 Self- Assessment	No Gap
6.12	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	An effective IA service is resourced and maintained – independently reviewed every five years and self-assessed against PSIAS annually. HIA overall statement included in AGS.	Peer review 2017/18 2018/19 self-assessment	No Gap
6.13	Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon 	Audit Committee in place, ToR in place (updated 2018/19), cross party membership and training undertaken. Internal Audit assisted self-assessment of the Audit Committee against CIPFA Guidance undertaken in 2018/19. An Amber/Green assurance was given to the performance of the Audit Committee (GARMS) against the good practice principles outlined in the CIPFA Guidance indicating that the committee is soundly based and has in place a knowledgeable membership. Overall 71% of the good practice was found to be in place and operating or substantially operating effectively. 11 recommendations were made to address the areas identified as only partially or not operating, 8 are rated as medium risk and 3 are rated as low risk. All recommendations were agreed by the Committee and are in the process of being implemented.	AC ToR in Constitution (GS) AC Membership on Council's website Final AC report presented to GARMS Committee April 2019	No Gap (Minor Gap 2017/18 – closed by review of AC against CIPFA best practice undertaken in 2018/19.)

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
Managing data				
6.14	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<p>The General Data Protection Regulation is an evolution of data protection law rather than revolution and many of the GDPR's concepts and principles are the same as under the DPA; however, there are new elements and significant enhancements of individual rights that we must take into account. The GDPR places greater emphasis on the documentation that we must keep to demonstrate accountability, compliance and transparency around what personal data we collect, how we use it, who we share it with, how long we keep it for and how we protect it.</p> <p>In August 2018 a Data Protection Officer was appointed in compliance with the new legislation.</p> <p>A range of Information Management policies and procedures are in place including data protection. During 2018/19 the Acceptable Use Policy was refreshed and a Special Category Data Policy was introduced.</p> <p>An Information Governance Board is in place and meet regularly throughout 2018/19.</p> <p>During 2018/19 a gap analysis of the Council's information asset registers was undertaken and the new DPO met with the Information Asset Owners (Divisional Directors) and Information Asset Controllers (Heads of Service/Service Managers) of the areas where gaps were identified to update the relevant registers. A gap analysis of privacy notices in place was also undertaken and gaps rectified.</p> <p>Briefing sessions for Members on GDPR were held in May 2018.</p> <p>Mandatory online training for all staff on information governance, cyber security and the new Data Protection legislation was developed and introduced across the Council in October 2018.</p>	<p>Data Protection Officer Role Profile (GS)</p> <p>Information Governance policies (GS)</p> <p>Acceptable Use Policy (GS)</p> <p>Information Governance Board Terms of Reference (GS)</p> <p>Gap Analysis</p> <p>Notes of Members Briefing sessions</p> <p>Online training on training portal</p>	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
6.15	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<p>Data sharing agreements are put in place according to need e.g. agreement with Met and other partners to share information to reduce gang activity.</p> <p>An Information Asset register which includes details of privacy notices and data sharing is maintained by Corporate IT.</p> <p>Information Governance Training is mandatory for all staff.</p> <p>Guidance and further information is available via the link https://harrowhub.harrow.gov.uk/info/200145/</p>	<p>Data sharing agreements</p> <p>Information Asset register</p> <p>Mandatory Training</p>	No Gap
6.16	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<p>A Data quality Policy is in place and kept under review.</p> <p>Ongoing data quality work includes:</p> <ul style="list-style-type: none"> ▪ 'Data days' in social care, youth offending, housing where practitioners bring records up to date and work through exception reports produced by analysts ▪ Regular management information to service with information on missing data e.g. ethnicity, gender, school etc ▪ Reconciliation of datasets to ensure completeness and high quality e.g. UPRN matching 	Data quality policy (GS)	No Gap
Strong public financial management				
6.17	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	<p>Finance Business Partner model in operation.</p> <p>Finance input to all Cabinet decision reports.</p>	Cabinet reports (Council website)	No Gap
6.18	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	<p>As above re budget monitoring</p> <p>Risks covered in Budget report to Cabinet</p> <p>Strategic Financial risks covered in Corporate Risk register reported to CSB and GARMS</p>	<p>Budget report to Cabinet</p> <p>Corporate Risk Register</p>	No Gap

Core principles and sub-principles of good governance

Core Principle: Acting in the public interest requires a commitment to and effective arrangements for:

7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability (*Not covered in the 2007 Framework.*)

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
	Implementing good practice in transparency			
298 7.1	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<p>Web Team</p> <p>Templates and guidance for committee and cabinet decision reports include sections on options, financial implications, risk management, equalities and legal implications.</p> <p>Article 13 of the constitution sets out the principles of decision-making</p>	<p>Cabinet Decision report and committee report templates (GS)</p> <p>Article 13 of the Constitution (GS)</p>	<p>Minor Gap 17/18 & 18/19 as per 1.3</p>

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
7.2	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	Templates and guidance for committee and cabinet decision reports include sections on options, financial implications, risk management, equalities and legal implications.	Cabinet Decision report and committee report templates (GS)	No Gap
Implementing good practices in reporting				
299 7.3	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way	<p>Progress is tracked through the quarterly cycle:</p> <ul style="list-style-type: none"> • Improvement Boards • CSB Performance Morning • Strategic Performance Report to Cabinet <p>As above</p> <p>This looks at progress against the Harrow Ambition Plan. An annual refresh of the HAP also tracks progress and is a public document.</p> <p>The Annual Financial Statements also provide a summary of achievements for each year.</p>	Harrow Ambition Plan (GS) Annual Financial Statements	No Gap
7.4	Ensuring members and senior management own the results reported	As 7.3 above – regular reporting goes to the Corporate Strategic Board (CSB – senior management), Portfolio Holders and the Leader of the Council via quarterly reporting cycle.	CSB Minutes	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
7.5	Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)	Evidence based annual review of governance undertaken that assesses the extent to which the principles contain in the Framework have been applied. The results are published in the AGS and an action plan developed where significant gaps identified.	Annual Review of Governance (Council website)	No Gap
7.6	Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate	Shared Service/Partnership self-assessment undertaken to feed into the annual governance review and the AGS.	Shared Service Self Assessment	No Gap
7.7	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations	CIPFA best practice followed, checked by External Auditors, statutory timescales met. Statement a public document allowing for comparison with other similar organisations.	Financial Statement (Council website)	No Gap
Assurance and effective accountability				
7.8	Ensuring that recommendations for corrective action made by external audit are acted upon	Recommendations implemented wherever possible and progress reported annually to GARMS and reviewed annually by External Auditor. Evidence report to GARMS.	External Audit Letter (GARMS reports on Council Website)	No Gap
7.9	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	Effective IA service in place with direct access to members. Assurance on governance provided annually via IA Plan, annual governance review and HIA Opinion. Level of implementation of IA recommendations monitored and reported twice a year to GARMS Committee –target exceeded 2018/19. CIPFA Statement on Role of HIA complied with and compliance with PSIAS self assessed annually and independently every five years – 2017 (generally conforms). Agreed actions implemented.	Internal Audit Plan 2019/20 (GS) Mid & Year End Reports (GARMS reports) PSIAS Self Assessment	No Gap

Core principles and sub-principles of good governance

	Sub-principles	Examples of systems, processes, documentation and other evidence demonstrating compliance in 2018/19	Evidence GS = contained in Governance Structure	Gap
7.10	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<p>LGA peer review took place in 2016 and was used as an opportunity to drive learning and improvement</p> <p>Annual self assessment is produced in Children's Services – in evidence folder. This is used as basis for peer scrutiny under Sector Led Improvement, plus the 'annual conversation' with Ofsted.</p> <p>2 LGA Safe guarding adults peer reviews (2016 and 2017) 1 LGA Finance and resources of adults Peer review in August 2017.</p> <p>Review of scrutiny function carried out in 2017 – recommendations implemented.</p>	<p>LGA Peer review</p> <p>Annual Self Assessment</p>	No Gap
7.11	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	<p>Covered in Annual governance Statement</p> <p>Partnership/Shared Service reviews (assisted self- assessment) confirmed IIAs/contracts cover risks associated with delivering services and that risk register/risk reviews in place.</p>	<p>Annual Governance Statement</p> <p>Shared Service Self Assessments</p>	No Gap
7.12	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	<p>See examples of key partnerships with accountability structures at 1.8</p> <p>Partnership/Shared Service reviews (assisted self- assessment) confirmed that IIAs/contracts clearly cover accountability.</p>	<p>Shared Service Self Assessments</p>	No Gap

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**REPORT FOR: GOVERNANCE, AUDIT
AND RISK
MANAGEMENT AND
STANDARDS
COMMITTEE**

Date of Meeting: 16 July 2019

Subject: **INFORMATION REPORT** – Internal
Audit and Corporate Anti-Fraud
Year-End Reports 2018/19

Responsible Officer: Dawn Calvert – Director of Finance

Wards affected: All

Enclosures: Appendix1 – Internal Audit Year-end
Report 2018/19
Appendix 2– Corporate Anti-Fraud
Team Year-end Report 2018/19

Section 1 – Summary

This report sets out the 2018/19 year end reports for Internal Audit and the Corporate Anti-Fraud Team and includes the Head of Internal Audit's overall audit opinion on the control environment.

FOR INFORMATION

Section 2 – Report

Background

- 2.1. Annually the GARMS Committee considers a mid and full year reports from Internal Audit and Corporate Anti-Fraud covering progress against the agreed plans.

Internal Audit Year-End Report (Appendix 1)

- 2.2. Overall the Internal Audit Team has achieved 90% of the 2018/19 revised annual internal audit. This included 100% achievement of the core financial systems reviews. A total of 303 recommendations were made to management to improve internal controls of which 98% were agreed for implementation exceeding the 95% target.
- 2.3 Appendix 1 details the Head of Internal Audit Opinion, provides a summary of all the work undertaken during the year, covers the direction of assurance travel and the performance of Internal Audit against the agreed key performance indicators.

Corporate Anti-Fraud Report (Appendix 2)

- 2.4 Of the 15 objectives in the CAFT Fraud Plan 2018/19, 2 were exceeded, 9 have been achieved, 2 were partially achieved and 2 were not achieved.
- 2.5 Appendix 2 provides a summary of outcomes from the work of the Corporate Anti-Fraud Team during 2018/19, details work undertaken in addition to the plan, the performance of the Anti-Fraud Team against the agreed key performance indicators and summaries fraud referrals, outcomes and savings achieved.

Further Information

The next report on the performance of Internal Audit and CAFT will be the 2019/20 Mid-year Reports to be submitted to GARMS Committee in December 2019.

Legal Implications

Accounts & Audit Regulations 2015

Internal audit

5.—(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Financial Implications

There are no financial implications to this report.

Risk Management

There are no risk management implications to this report.

Equalities implications

None

Corporate Priorities

The Internal Audit and Corporate Anti-Fraud Service contribute to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



Chief Financial Officer

Date: 03/07/19

Section 4 - Contact Details and Background Papers

Contact: Susan Dixon, Head of Internal Audit & Corporate Anti-Fraud,
Tel: 0208 424 1420

Justin Phillips, Corporate Anti-Fraud Service Manager
Tel: 0208 424 1609

Background Papers: None

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Internal Audit Year-End Report

2018/19

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Direction of Assurance Travel

Performance of Internal Audit

Appendices:

1. Opinion Types/Limitations and Responsibilities
2. Audit Report Assurance Levels

Introduction

This report outlines the internal audit work carried out for the year ended 31/03/19. The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management (Corporate Strategic Board) and approved by the Governance, Audit, Risk Management & Standards Committee (Harrow Council's Audit Committee), designed to provide a reasonable level of assurance, subject to the inherent limitations described below and set out in Appendix 1. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

The Internal Audit Plan 2018/19 was based on a level of internal audit input of 855 days, of which 850 days were delivered.

Internal audit work was performed in conformance with the Public Sector Internal Audit Standards.

Head of Internal Audit Opinion

Sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and internal control. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance on the system of internal control – see Appendix 2.

2018/19 Opinion

Good with improvements required in a few areas: The outputs from the programme of work completed by Internal Audit, based on the agreed risk-based Internal Audit Plan, demonstrate that the Council's framework of governance, risk management and control is generally good. Three red and two red /amber assurance reports have been issued identifying significant weakness and/or non-compliance in the framework which could potentially put the achievement of objectives in these areas at risk. Improvements have been recommended in these areas of which 98% have been agreed by management (1 low risk recommendation was not agreed and 1 high risk recommendation was only partially agreed at this time with the intention of implementing it fully in the future). See Summary of Findings section.

Framework for the Opinion

The opinion is based on:

- All audits undertaken as part of the 2018/19 Internal Audit Plan (except Core Financial Systems audits);
- Audits of Core Financial Systems undertaken in Q1 of 2019/20 (part of the 2019/20 plan);
- Recommendations made accepted/not accepted by management;
- Recommendations implemented by management at follow-up;
- Re-assessed assurance ratings at follow-up in respect of audits from previous periods.
- The annual review of governance process.

Key Factors for the 2018/19 Opinion

The key factors that contributed to the opinion are summarised as follows:

- 88% of assurance reviews undertaken during 2018/19 were given an amber, an amber/green or a green assurance;
- 90% of controls reviewed within the Council's core financial systems were operating fully/substantially with 10% operating partially;
- 93% of controls self-assessed by management within the Council's core financial systems were operating;
- 98% of overall recommendations made during 2018/19 were agreed by management for implementation;
- 74% of recommendations were implemented/substantially implemented, 19% were in progress and 7% were planned at time of follow-up thus it is expected that in due course 100% will be implemented;
- All follow-ups resulted in an improved assurance rating with 100% attaining an amber, amber/green or green assurance rating;
- The annual review of governance identified one significant governance gap.

Summary of Findings

The year-end internal audit report is timed to inform Harrow's Annual Governance Statement. A summary of key outputs/findings from the programme of internal audit work for the year is recorded in the table below:

Key Outputs/Findings	
Description	Detail
<p>Audit reports</p> <p>34 internal audit reviews were undertaken resulting in an audit report.</p>	<ul style="list-style-type: none"> • 10 green, 6 amber/green, 13 amber, 2 red/amber and 3 red assurance reports were issued; • 117 high risk, 150 medium risk and 36 low risk recommendations were made to improve weaknesses identified in governance, risk management or control.
<p>Significant weaknesses</p> <p>3 Red and 2 Red/Amber assurance reports were issued during 2018/19 identifying significant weakness and/or non-compliance of control which could potentially put the achievement of objectives in these areas at risk.</p>	<p>Red assurance reports:</p> <ul style="list-style-type: none"> • Museum & Great Barn • Parking (Whistleblowing) – in draft • Kingsley (Budget Management) – in draft <p>Red/amber assurance reports:</p> <ul style="list-style-type: none"> • Regeneration • Fuel Cards – Fraud Prevention
<p>Other audit work</p> <p>A number of other pieces of audit work were undertaken as part of the 2018/19 Internal Audit Plan that did not result in a traditional audit report but non the less added value to the Council's governance, risk management and control framework.</p>	<ul style="list-style-type: none"> • Corporate Governance, outputs = the annual review of governance evidence table, management assurance statements, share service/partnership evidence based governance self-assessments and the 2018/19 Annual Governance Statement; • Risk Management, outputs = Corporate Risk register for Q1, Q3 and Q4 of 2018/19; • Information Governance Board, outputs = pro-active audit input and advice on information governance policy, procedures and issues; • Health & Safety, outputs = a follow-up of the Health & Safety Action Plan to feed into the annual review of governance; • Build a Better Harrow Governance, outputs = pro-active input into the development of the governance structure and the development of the corporate project management process;

	<ul style="list-style-type: none"> • SFVS, outputs = review of the school self-assessments against the school financial Value Standard and an assurance report for the Chief Finance Officer; • Families First (Troubled Families Grant), outputs = validation of the three grant claims made in year; • Professional Advice, outputs = the provision of independent professional internal audit advice on a range of topics.
<p>Annual review of governance</p> <p>The annual review of governance is primarily undertaken to provide evidence to support the production of the Annual Governance Statement and consists of a review of governance arrangements against the CIPFA Good Governance Framework and the Council's own governance structure. During the course of this work one significant governance gap was identified that should be reported in the Annual Governance Statement.</p>	<ul style="list-style-type: none"> • The significant governance gap identified is in relation to Corporate Health & Safety: Although action has been taken during 2017/18 and 2018/19 to reduce the governance gap identified in 2016/17 by improving the governance structure for Health & Safety further action is still required during 2019/20 to embed best practice both corporately and within directorates, as one Council.
<p>Follow up</p> <p>During the year we have undertaken follow up work on the implementation of previously agreed actions.</p>	<ul style="list-style-type: none"> • 9 follow-ups have been completed during 2018/19 and a further 10 are still in progress. All completed follow-ups have resulted in an improved assurance rating.
<p>Good practice</p> <p>We also identified a number of areas where few weaknesses were identified.</p>	<ul style="list-style-type: none"> • The Council's core financial systems continue to be well controlled with the combined approach of periodic full audit reviews and annual evidence based self-assessments working well; • Overall schools, with one notable exception, also continue to demonstrate a strong level of control over their finances and budgets along with good governance procedures.

Internal Audit Work Conducted: Results of Individual Assignments (resulting in an audit report)

The table below sets out the results of the internal audit work:

Review	Assurance Rating		Number of Recommendations		
			H	M	L
Corporate Risk Based Reviews					
Review of Expenditure/Discretionary Spend	GREEN		0	2	0
Audit Committee	AMBER		0	8	3
Resources Directorate + Core Financial Systems					
Payroll	GREEN		0	4	0
Council Tax	AMBER	GREEN	1	0	3
Corporate Accounts Receivable	GREEN		0	0	0
Corporate Accounts Payable	GREEN		0	1	0
Business Rates	AMBER	GREEN	1	1	0
Capital Expenditure	AMBER	GREEN	1	0	0
Housing Benefit	GREEN		0	0	0
Housing Rents	GREEN		0	1	0
Treasury	GREEN		0	0	0
Parking (Whistleblowing)	RED		5	8	1
IT System Security – SIMS (Schools financial management system)	AMBER	GREEN	2	4	2
IT System Security – CapitaOne (Education management system)	AMBER		4	6	2
Directorate Risk Based Reviews					
Community					
Homelessness – Preventative Work	AMBER		4	8	0
Empty Property Grant – vfm	AMBER		2	2	0
Trade Waste Collection	AMBER		3	10	1
Fly Tipping	AMBER		4	6	1
Museum & Great Barn	RED		18	10	1
Regeneration	RED	AMBER	25	11	1
Fuel Cards – Fraud Prevention	RED	AMBER	4	6	1
Depot Security (Emerging Risk)	AMBER		7	6	5
Parking – CEO Shifts (Emerging Risk)	AMBER		2	3	0
Housing Landlord Responsibilities - Health & Safety Compliance (Emerging Risk)	AMBER		2	6	1
People					
Glebe Primary School – Governance & Financial Control	GREEN		0	4	3
Grange Primary School – Governance & Financial Control	AMBER	GREEN	0	6	5
Pinner Park Infants & Nursery - Governance & Financial Control	AMBER	GREEN	1	8	1
Roxbourne Primary - Governance & Financial Control	AMBER		9	5	3
Roxeth Primary – Budget Management	GREEN		0	1	1
Vaughan Primary School – Budget Management	GREEN		0	3	0
Kingsley - Budget Management	RED		5	1	0
Fostering	AMBER		6	2	0
Personal Budgets - Children with Disabilities	AMBER		4	4	0
Personal Budgets - Sample Testing	AMBER		7	13	1
Total			117	150	36

Final red and red/amber assurance reports are presented to the GARMS Committee individually for review and comment with relevant managers attending the meetings. Of the red and red/amber assurance reports issued in 2018/19 three have been presented to the Committee so far and two have yet to be presented as they are currently in draft.

Results of Other Audit Work on the 2018/19 Plan

Work Undertaken	Results/Output
Corporate Governance	Each year the Council undertakes a robust review of its governance arrangements to meet the requirements of the CIPFA/SOLACE Framework <i>Delivering Good Governance in Local Government</i> and to fulfil its statutory duty as outlined in the Accounts and Audit Regulations 2015. For 2018/19 the annual review process consisted of an evidenced based self-assessment undertaken by members of the Corporate Governance Working Group co-ordinated and reviewed by Internal Audit, a management assurance exercise completed by each Directorate, and a review of the governance of shared service and partnership arrangements. The result of this work is fed into the production of the Annual Governance Statement.
Risk Management	In Quarter 1 of 2018/19 a refresh of the Corporate Risk Register was undertaken with the Corporate Strategic Board to streamline the register and ensure that the risks being considered by CSB are those that are corporately significant and warrant the attention of the Corporate Board. The Corporate Risk Register contained 33 risks at its peak during 2017/18 and the process successfully reduced the number of corporate risks on the register to 8. By making the risk more complex/encompassing, the majority of the risks on the Q3/Q4 2017/18 register are covered by these risks. The Corporate Risk Register was further updated for Q3 and Q4 of 2018/19 and the refresh and the updates were reported during the year to the GARMS Committee.
Information Governance Board (IGB)	The Head of Internal Audit's attendance to the Information Governance Board enables pro-active audit input and advice on information governance policy, procedures and issues to be provided.
Health & Safety	A follow-up of the Health & Safety action plan confirmed that 43% of agreed actions were fully/substantially implemented with 7% partially implemented and 50% not implemented. This has been fed into the annual review of governance for 2018/19 and the Annual Governance Statement.
Build a Better Harrow Governance	The organisation and facilitation of the work and meetings of the Build a Better Harrow Governance Working Group including preparation of agendas and action points + pro-active input into the development of the governance structure and the development of the corporate project management process
SFVS Assurance Statement	Schools are required to undertake an annual self-assessment against the Schools Financial Value Standard and the Council's Chief Finance Officer (CFO) is required to provide details of the schools completing/not completing the assessment and confirm that a system of audit for schools is in place that gives adequate assurance over their standards of financial management and the regularity and propriety of their spending. To support the CFO in this Internal Audit reviewed the 35 self-assessments undertaken by schools and prepared a report detailing the level of assurance obtained from these, how they are taken into account for audit planning purposes and provided an overview of the completion process.
Families First (Troubled Families Grant)	During 2018/19 Internal Audit contributed to the update of the financial framework for Troubled Families particularly in relation to the outcomes plan. An Internal Audit protocol was also created during the year to clarify the role of Internal Audit in the claims process and to set agreed timescales for the audit work. Three claims were submitted during the year in September, January and March. For each Grant Submission, a sample of the cases (usually 10%) were reviewed to ensure that: <ul style="list-style-type: none"> the cases are eligible for claim;

	<ul style="list-style-type: none"> the criteria and the outcomes are accurately identified and evidenced where applicable; the case has not been re-opened for further work; the closure report on the Mosaic system clearly identifies the outcomes achieved; and the spreadsheet has been checked for duplicates.
Professional Advice	A range of professional advice has been provided to managers during 2018/19 including on electronic signatures, responding to FOI requests, cashless parking, Wiseworks, early years grant funding and schools.

Follow Up Work Conducted

Introduction

In order for the Council to derive maximum benefit from internal audit, agreed actions should be implemented. Whilst management is responsible for implementing recommendations, in accordance with the internal audit plan, follow-ups of recommendations are undertaken for all but Green assurance reports. The table below summarises the follow up work performed during 2018/19.

Review	Original Assurance Rating		Re-Assessed Assurance Rating	No. of agreed recs	Status of agreed actions					
	I	SI			PI	PL	NI			
Help2Let	RED	AMBER	GREEN	15	10	0	4	1	0	
Housing Benefits Fraud Risk	RED	AMBER	GREEN	27	26	0	1	0	0	
Council Tax - Severely Mentally Impaired Exemption	AMBER		GREEN	2	2	0	0	0	0	
Major Works Leaseholders	AMBER	GREEN	GREEN	7	5	1	1	0	0	
Weldon Park Governance & Financial Controls	RED	AMBER	AMBER	GREEN	33	18	10	4	1	0
Weldon Park Teaching Assistants	RED		AMBER	GREEN	12	10	2	0	0	0
Fuel Cards	RED	AMBER	AMBER	GREEN	10	4	2	3	1	0
Regeneration Programme	RED	AMBER	AMBER		37	8	5	16	8	0
Housing Benefits New Claims Fraud	Non Assurance		Non Assurance		7	7	0	0	0	0
TOTALS				150	90	20	29	11	0	
PERCENTAGES					60 %	14 %	19 %	7%	0%	

Summary

74% of recommendations were implemented/substantially implemented at the time of follow-up, with a further 19% in progress and 7% planned. All of the recommendations were still considered appropriate by management and thus it is expected that in due course 100% will be implemented.

All follow-ups undertaken resulted in an improved assurance rating with 100% attaining an amber, amber/green or green assurance rating.¹

Direction of Assurance Travel

Introduction

Whilst the audit days in the Internal Audit Plan have remained broadly consistent over the last 3 years the number of pieces of audit work contained in the plan varies year on year depending on the estimated audit days required to complete individual assignments. Direction of travel is therefore based on percentages rather than number of assignments.

Assurance Ratings (including follow-ups)	Direction of Assurance Travel between 2018/19 & 2017/18	Number/% of Reports + Follow-Ups		
		2018/19	2017/18	2016/17
GREEN	Down ↓	14 (33%)	26 (48%)	22 (55%)
AMBER GREEN	Down ↓	9 (22%)	14 (26%)	5 (12%)
AMBER	Up ↑	14 (33%)	6 (11%)	7 (18%)
RED AMBER	Down ↓	2 (5%)	3 (6%)	5 (12%)
RED	Down ↓	3 (7%)	5 (9%)	1 (3%)
% of Amber, Amber/Green or Green	Up ↑	37 (88%)	46 (85%)	34 (85%)

Summary

One of the key factors used in the Head of internal Audit Opinion is the percentage of assurance reviews undertaken during the year that were given an amber, an amber/green or a green assurance. The direction of travel for this factor between 2017/18 and 2018/19 is positive showing a 3% increase.

¹ The impact of recommendations implemented, substantially or partially implemented at follow-up on the expected controls are assessed to provide the re-assessed assurance rating and assumes that previous controls that were operating and still operating. It should be noted the correlation between control weaknesses and recommendations is not 1:1 i.e. one weakness identified may result in a number of recommendations being made and alternatively a number of weaknesses identified may result in only one recommendation being made.

Performance of Internal Audit

Introduction

A number of Key Performance Indicators (KPIs) were agreed as part of the 2018/19 Internal Audit Plan and performance against these is set out in the table below:

	Internal Audit Performance Indicator	Target	Mid-Year	Year-End	Comments
1	Recommendations agreed for implementation	95%	99%	98%	Exceeded 2 low risk recommendations were not agreed for implementation and 1 high risk recommendation was only partially agreed at this time with the intention of implementing it fully in the future.
2	Follow up undertaken	100%	100%	47%	Not Met 9 of 19 follow-ups were completed. Assistant Auditor post vacant from the middle of Q1 impacting on the achievement of this indicator.
3	Plan achieved for key control reviews	100%	100%	100%	Met 2 full reviews and 7 evidence based self- assessments undertaken
4	Plan achieved overall (key indicator)	90%	45%	90%	Met 42.5 of 47 items on the plan completed. 4 reviews and 10 follow-ups are still in progress.
	Corporate Performance Indicator				
1	Implementation of recommendations	90%	67%	74%	Exceeded (in due course) 74% of recommendations were implemented/substantially implemented, 19% were in progress and 7% were planned at time of follow-up thus it is expected that in due course 100% will be implemented.

Summary

Of the 4 internal audit performance indicators 1 was exceeded, 2 were met and 1 was not met. In the past the majority of follow-ups have been undertaken by the Assistant Auditor however this post became vacant during Q1 2018/19 requiring the Auditors to undertake this work in addition to completing their allocated portion of the 2018/19 Internal Audit Plan. As priority is given to completing planned reviews over follow-up of reviews previously completed this had a detrimental impact on the achievement of this target.

Excellent: The outputs from the programme of work completed by Internal Audit, based on the agreed risk-based Internal Audit Plan, demonstrate that the Council's framework of governance, risk management and control is good and that there are adequate and effective governance, risk management and control processes to enable the related risks to be managed and objectives to be met. No areas of significant weakness (red or red/amber assurance reports) were identified. See Summary of Findings in section.

Good with improvements required in a few areas: The outputs from the programme of work completed by Internal Audit, based on the agreed risk-based Internal Audit Plan, demonstrate that the Council's framework of governance, risk management and control is generally good. Some red and red /amber assurance reports have been issued identifying significant weakness and/or non-compliance in the framework which could potentially put the achievement of objectives in these areas at risk. Improvements have been recommended in these areas of which % have been agreed by management. See Summary of Findings in section.

Major improvement required: The outputs from the programme of work completed by Internal Audit, based on the agreed risk-based Internal Audit Plan, demonstrate that the Council's framework of governance, risk management and control requires major improvement. A large number (x) of red and red/amber assurance reports have been issued identifying significant and endemic weaknesses and/or non-compliance in the framework of governance, risk management and control which put the achievement of organisational objectives at risk. Improvements have been recommended in these areas of which % have been agreed by management. See Summary of Findings in section.

Unsatisfactory: The outputs from the programme of work completed by Internal Audit, based on the agreed risk-based Internal Audit Plan, demonstrate that the Council's framework of governance, risk management and control is unsatisfactory. The majority of assurance reports issued (x) are red or red/amber identifying significant weaknesses and/or non-compliance in the framework of governance, risk management and control indicating the achievement of corporate objectives is unlikely and control is poor [and/or] there is significant non-compliance with controls. Because of this, systems have failed Or there is a real and substantial risk that systems will fail and management's objectives will not be achieved. Immediate action is required to improve the adequacy [and/or] effectiveness of governance, risk management and control. See Summary of Findings in section.

Limitations and Responsibilities

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibility for the design and operation of these systems.

The Head of Internal Audit's opinion is based solely on the work undertaken as part of the agreed internal audit plan 2018/19. There may be weaknesses in systems of internal control that did not form part of agreed programme of work, in elements of systems that were not included in the scope of individual internal audit assignments or that were not brought to internal audit's attention. The risk of this is mitigated by implementing a risk based approach to the development of the internal audit plan and to individual audit assignments.

Internal audit reports are given a **red**, **red/amber**, **amber**, **amber/green** or **green** assurance rating.

Red reports will indicate systems/functions/establishments with a low overall percentage of controls in place that represent a high risk to the authority needing immediate attention to improve the control environment;

Red/amber reports will indicate systems/functions/establishments that represent a high to medium risk to the authority needing immediate attention to improve the control environment;

Amber reports will indicate a fair level of controls operating that represent a medium risk in need of attention to prevent them becoming high risk;

Amber/green reports will indicate medium to low risk in need of attention to prevent them becoming high risk and

Green reports will indicate a high level of controls operating, including all critical controls, that represent low risk areas

A formula for converting audit findings into a **red**, **red/amber**, **amber**, **amber/green** or **green** rating has been developed as follows:

Red reports will essentially be those where there is **one or more** of the following:

- A low overall percentage of controls in place (0-50%)
- An absence of critical controls (reflected as high risk recommendations)
- A significant deterioration in control systems
- Poor progress with implementation of previous recommendations

Red/Amber reports will be those that have 51-60% of controls operating and no more than 40% of controls absent are critical (40% of recommendations made).

Amber reports will be those that have 61-70% of controls operating and no more than 25% of controls absent are critical (25% of recommendations made).

Amber/Green reports will be those that have 71-80% of controls operating and no more than 10% of controls absent are critical (10% of recommendations made).

Green reports will be those having 81-100% of controls operating including all critical controls and no absence of critical controls (no high risk recommendations).

Controls operating and substantially operating will be combined to give the overall assurance rating.

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HARROW COUNCIL

Corporate Anti-Fraud Team Year-End Report

2018/19

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Work Undertaken in Addition to the Plan

Performance of Anti-Fraud Team

Fraud referrals, outcomes and savings summary

Introduction

This report outlines the corporate anti-fraud work carried out for the year ended 31/03/19. The plan is risk based and developed through consultation internally and drawing upon external sources of data to ensure that where possible best practice is followed (see CIPFA Fraud Code Self-Assessment below) and fraud resources are targeted at those areas of the authority deemed to be of highest risk to fraud with the greatest potential negative financial impact and/or reputational damage. The plan is approved by the Governance, Audit, Risk Management & Standards Committee (GARMS) annually and mid-year and year end progress reports provided against the plan to provide a level of assurance around the authorities' fraud risk resilience capability.

Summary of Outcomes

A summary of key outputs from the programme of corporate anti-fraud work for the year is recorded in the table below. Of the 15 work streams contained within the plan, 2 (13%) were exceeded, 9 (60%) have been achieved (of which 2 are ongoing), 2 (13%) partially achieved and 2 (13%) not achieved and carried over to the 2019/20 plan. All 5 key performance indicators were exceeded.

The level of fraud and corruption identified impacting the authority for 2018-19 at the year-end amounts to in excess of £3.3 million which represents an approximate return on investment for the team's running costs of just over 13:1.

	Fraud work stream	2018-19 Year End outcome
1	<p>Corporate fraud risk assessment</p> <p>Identify and assess Harrow's fraud risk exposure affecting the principle activities in order to fully understand changing patterns in fraud and corruption threats and the potential harmful consequences to the authority and our customers</p>	<p>Achieved</p> <p>Complete in Q4 as part of the development of the annual plan for 2019-20. The risk assessment draws upon information held both within the authority and external data including findings from the fraud risk register development, known and actual fraud identified in previous years and a review of national reports.</p>
2.	<p>CIPFA Fraud Code Self-Assessment</p> <p>Undertake an annual self-assessment against the CIPFA Code of Managing the Risk of Fraud & Corruption to measure resilience and progress made</p>	<p>Achieved</p> <p>The self-assessment against the CIPFA code for Managing the Risk of Fraud & Corruption in 2015/16 assessed the authority at 54% compliant reaching an adequate level of performance against the code. An action plan was drafted to improve the resilience and these actions have featured in both the strategy and the annual planning process. Further self-assessments against the CIPFA Code were undertaken in 2017/18 and 2018/19 which resulted in the compliance level improving to 75% and 78% respectively indicating that the authority has reached a good level of performance against the code. Assessment against the code will continue to be undertaken annually.</p>
3	<p>Corporate fraud risk register</p> <p>Finalise, co-ordinate, review and facilitate the updating of the fraud risk register where significant fraud and corruption risks are identified, mitigated, monitored and update at least annually</p>	<p>Achieved</p> <p>The fraud risk register has been developed through consultation with management and has fed into the drafting of the annual fraud plan for 2019/20. The register will be reviewed during the year so that it reflects accurately the fraud risks the organisation faces and allows resources in the CAFT to be directed at areas of greatest risk to fraud where financial losses are greatest and where there is potential for significant reputational damage.</p>
4	<p>Corporate Anti-Fraud & Corruption Strategy</p> <p>Review the Corporate Anti-Fraud & Corruption Strategy 2016-19 that links to Harrow's corporate priorities, the overall goal of improving resilience to fraud and corruption and fully reflecting the fraud and corruption risks faced by the authority</p>	<p>Achieved and ongoing</p> <p>The authorities' current Corporate Anti-Fraud & Corruption Strategy 2016-19 has been reviewed and no changes made, however, the Fighting Fraud & Corruption Locally Strategy Board (FFCL) are at present reviewing the strategy for Local Government and therefore, it would be prudent to await the strategy refresh before amending the authorities' strategy to ensure it remains closely aligned.</p>

	Fraud work stream	2018-19 Year End outcome						
5.	<p>Establish a fraud loss methodology</p> <p>Develop and implement a fraud loss value methodology to apply consistently to significant fraud risk exposures enabling fraud losses to be measured accurately</p>	<p>Not achieved – carried forward</p> <p>The task was not complete due to vacancies on the team impacting capacity. The task was carried forward to the 2019/20 plan.</p>						
6.	<p>National Fraud Initiative co-ordination role</p> <p>Co-ordination of the 2018/19 National Fraud Initiative (NFI) data match processing including:-</p> <ul style="list-style-type: none"> Ensuring the authority complies with fair processing guidelines required to submit data into the exercise in accordance with timescales so as to be compliant with GDPR Supports service areas in extracting the data from core systems in the required specification in accordance with timescales Upload the data securely onto the Cabinet Office NFI portal and in accordance with timescales Liaise with service areas when the datamatches are released back to authority in January 2019 to ensure that action is commenced promptly on those matches that are deemed to be high risk 	<p>Achieved and on going</p> <p>All service areas contributing data had compliant privacy notices in place allowing the authorities' key contact to complete the GDPR fair processing compliance certification on time.</p> <p>All required data was extracted from core systems on time</p> <p>All required data was uploaded securely via the Cabinet Office portal on time</p> <p>Services processing the matches are making good progress after they were released in February 2019. A brief summary of progress is detailed below:-</p> <table border="0"> <tr> <td data-bbox="722 862 1142 1013"> <p>Housing Benefit Total matches 2014 Total processed 101 In progress 24 Value of fraud & error identified £nil</p> </td> <td data-bbox="1272 862 1692 1013"> <p>Creditors historical Total matches 5495 Total processed 91 In progress 2 Value of fraud & error identified £nil</p> </td> </tr> <tr> <td data-bbox="722 1045 1142 1196"> <p>Creditors standing Total matches 435 Total progressed 27 In progress 1 Value of fraud & error identified £nil</p> </td> <td data-bbox="1272 1045 1766 1196"> <p>Council Tax Reduction Scheme (CTRS) Total matches 1333 Total processed 41 In progress 5 Value of fraud & error identified £8,591.91</p> </td> </tr> <tr> <td data-bbox="722 1229 1142 1380"> <p>Housing Tenants Total matches 139 Total progressed 136 In progress 1 Value of fraud & error identified £nil</p> </td> <td data-bbox="1272 1229 1692 1380"> <p>Personal budgets Total matches 86 Total progressed 62 In progress 23 Value of fraud & error identified £nil</p> </td> </tr> </table>	<p>Housing Benefit Total matches 2014 Total processed 101 In progress 24 Value of fraud & error identified £nil</p>	<p>Creditors historical Total matches 5495 Total processed 91 In progress 2 Value of fraud & error identified £nil</p>	<p>Creditors standing Total matches 435 Total progressed 27 In progress 1 Value of fraud & error identified £nil</p>	<p>Council Tax Reduction Scheme (CTRS) Total matches 1333 Total processed 41 In progress 5 Value of fraud & error identified £8,591.91</p>	<p>Housing Tenants Total matches 139 Total progressed 136 In progress 1 Value of fraud & error identified £nil</p>	<p>Personal budgets Total matches 86 Total progressed 62 In progress 23 Value of fraud & error identified £nil</p>
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		<p>Procurement Total matches 124 Total processed 50 In progress 0 Value of fraud & error identified £nil</p> <p>Payroll Total matches 199 Total processed 176 In progress 0 Value of fraud & error identified £nil</p> <p>Private residential care homes Total matches 35 Total processed 25 In progressed 0 Value of fraud & error identified £12,086.70</p> <p>Waiting list Total matches 316 Total processed 257 In progress 0 Value of fraud & error identified £683,640¹</p>	<p>Pensions Total matches 219 Total processed 207 In progress 5 Value of fraud & error identified £6,522.36</p> <p>Right to Buy Total matches 3 Total processed 3 In progress 0 Value of fraud & error identified £nil</p> <p>Residents parking permits Total matches 8 Processed 0 In progress 0 Value of fraud & error identified £nil</p> <p>Blue badge parking permit Total matches 507 Total processed 507 In progress 332 Value of fraud & error identified £100,625.0²</p> <p>Overall fraud savings attributed to this work stream is £811,465.90</p>
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¹ Notional cost of removing 1 case from the waiting list following a match is £3240 as per Cabinet Office guidance

² Notional cost of recovering a blue badge out of circulation registered to a deceased individual is £575 as per Cabinet Office guidance

	Fraud work stream	2018-19 Year End outcome
7.	<p>Corporate anti-fraud awareness</p> <p>Raise awareness of fraud and corruption risks both within the authority and in the community through the publication of fraud successes in local and national media, including the use of all forms of social media including the following actions:-</p> <ul style="list-style-type: none"> • Embed fraud E-learning to existing employees • Elected Member fraud awareness training • Raising fraud awareness in schools in conjunction with Internal Audit's annual programme of planned works • Chief Executive Newsletter articles on fraud and corruption • CAFT Hub/web pages review and refresh • Issuing management reports detailing investigation outcomes and recommendations for improving fraud risk controls are implemented if agreed according to risk (KPI5) • Deliver fraud risk workshops/CAFT attendance at team meetings for high fraud 	<p>Partially achieved</p> <p>The e-learning package is now stable in the learning pod platform and an awareness campaign commenced in Q4 with the support of the Learning & Development Team including fortnightly emails to managers, weekly mentions in Newsletters and the course will be placed on the L&D homepage.</p> <p>CAFT & Internal Audit attended the <i>New Members Market Place</i> event on 14/05/18 to raise awareness of both fraud and Internal Audit roles. Fraud awareness training for members will be explored in 2019/20.</p> <p>Raising fraud awareness in school did not take place due to vacancies on the team impacting capacity.</p> <p>No fraud articles featured in the Chief Executive Newsletters during the year.</p> <p>Web and hub pages were refreshed in Q2. The E-fraud referral forms were updated in Q4 and work continues as the authority moves over to a new website in 2019/20.</p> <p>In total, 23 fraud risk recommendations contained within investigation reports have been made to management and 20 have been agreed for implementation.</p> <p>KPI5 target 60%, achieved 87% (20/23) at year end.</p> <p>16 fraud risk workshops were delivered to 120 housing needs and adult social care staff, equipping them with tools to be able to spot fraud indicators in relation to their own area of work, to seek support and advice from the CAFT where appropriate and to refer cases for investigation.</p> <ul style="list-style-type: none"> • Harrow People Spring, Summer & Autumn editions 2018 ran a graphic and figures around Housing fraud and the results that the authority had achieved in combatting it during 17/18. • Fraud results for 17/18 appeared in Housing Services <i>Smarter Housing Plan 2018-19</i> published in May 2018. • An anti housing fraud pull up banner has been placed in Access Harrow Reception in Q1 – Q4, encouraging customers to report anyone they suspect of committing housing fraud against the authority. • A Council press release was issued in August 2018 (including social media) in relation

	<p>risks areas</p> <ul style="list-style-type: none"> • Publicity through all forms of media on successful fraud cases, fraud initiatives and related prosecution outcomes • Design and delivery of an anti-fraud week to raise awareness internally and within the community 	<p>to a former employee of the Council who was successfully prosecuted and imprisoned for 3 years in August 2018 for defrauding the authority out of £100,000. The case received other local media coverage.</p> <p>Anti-fraud awareness week was not carried out due to vacancies on the team impacting capacity. The task will be carried forward to the 2019/20 plan.</p>
8.	<p>Fraud liaison</p> <p>Explore, develop and maintain effective liaison with investigation teams in other boroughs and external agencies and ensure that membership and interest continues in the London Borough of Fraud Investigators Group (LBFIG), The National Anti-Fraud Network (NAFN), The Chartered Institute of Public Finance and Accountancy (CIPFA) and the proposed London Counter Fraud Hub</p>	<p>Achieved</p> <p>The authority retained its membership of the National Anti Fraud Network (NAFN) for its essential role in intelligence gathering and the London Borough of Fraud Investigators Group (LBFIG). NAFN is an essential conduit for accessing 3rd party information sources which is vital for supporting investigation work.</p> <p>Officers in the team have also attended a number of Counter Fraud Conferences during the year which is important to keep up to date of current fraud trends and emerging fraud risks.</p> <p>Established partnerships with the Border Force, HMRC, the Home Office, the Metropolitan Police and other enforcement agencies have proven essential to current investigation work.</p> <p>The authority continues to work with CIPFA and explore the proposed London Counter Fraud Hub and remains open to joining providing that the business case on the benefits and return on investment is cost effective and right for the authority.</p>

	Fraud work stream	2018-19 Year End outcome
9.	<p>Internal datamatching</p> <p>Design and deliver an anti-fraud campaign using the iDIS data matching tool for the purposes of detecting, preventing and pursuing fraud and corruption</p>	<p>Not achieved – carried forward</p> <p>The task was not carried out due to vacancies on the team impacting capacity. The task was carried forward to the 2019/20 plan.</p>
10	<p>Housing fraud</p> <p>Assess and investigate allegations of fraud and abuse in the housing system working in partnership with Housing Resident Services, Housing Needs and Harrow's RSL's including:</p> <ul style="list-style-type: none"> • Seek to recover 12 social housing units subject to fraud & misuse (KPI1) • Prevent housing application fraud through a proactive fraud risk based targeted review of those customers in emergency accommodation • Prevent fraudulent Right to Buy (RTB) applications through targeted application validation with a fraud check on 90% applications referred to the CAFT at offer stage (KPI2) • Prevent mutual exchange, succession and assignment fraud through targeted application validation and 	<p>Partially achieved</p> <p>Tenancy recoveries exceeded Working in partnership with Housing Resident Services and Harrow's Registered Social Landlords (RSLs), 13 social housing tenancies were recovered resulting in notional fraud savings of £1,209,481.³ Included in this total are 2 fraudulent succession's intercepted (involving Council tenancies) and 2 Registered Social Landlord properties.</p> <p>KPI1 target 12, achieved 13 (108%)</p> <p>Savings subtotal achieved £1,209,481</p> <p>Housing Applications proactive exercise not commenced due to vacancies on the team impacting capacity. Objective carried over to 2019/20 plan</p> <p>A total of 18 housing application referrals have been received during the year at the mid-year point and 4 applications have been intercepted for customers providing false or misleading information in support of the application resulting in notional savings of £135,000.</p> <p>Savings subtotal achieved £135,000⁴</p> <p>RTB work stream exceeded Working in partnerships with Leasehold Services, HB Public Law Services and Housing Management, 8 RTB applications were intercepted saving the authority £851,000 in terms of purchase discount losses prevented.⁵</p>

³ The notional value of tenancy recovery now £93,000 per unit according to the [Cabinet Office National Fraud Initiative Report 2016](#)

⁴ Notional savings amount based on the size of the property the applicant would have been allocated had they been successful.

⁵ The maximum RTB discount for 18/19 was £108,000 in London, but 4 results involved discounts that applied to the previous years' discount amount of £104,900.

<p>working with the service area</p> <ul style="list-style-type: none"> • Work with Housing and Communications to run a housing fraud centric publicity campaign to raise awareness internally and the community including a key amnesty • Maximise the use of powers contained within the Prevention of Social Housing Fraud Act 2013 (PoSHFA) in terms of gathering evidence, investigation and prosecution of offenders and recovery of unlawful profit 	<p>These outcomes are due to applicants failing anti-money laundering checks (proving the source of funds) or following CAFT consultation with the lenders, the mortgage offer being withdrawn. The team is continuing to make use of the National Hunter system allowing the authority to communicate with lenders lawfully for the prevention and detection of crime and referring cases where appropriate to the National Crime Agency (NCA).</p> <p>KPI2 target 90%, achieved 100% at year end</p> <p>Savings subtotal achieved £851,600</p> <p>Mutual Exchange/Succession work stream achieved 2 applications by individuals to succeed to a tenancy were investigated by CAFT which resulted in housing rejecting them and possession was obtained. Savings have been included in the tenancy recovery work stream above.</p> <p>Housing fraud centric publicity campaign achieved A housing fraud pull up banner was placed in Access Harrow Reception in April 2018 encouraging members of the public to report tenancy fraud and a number of housing fraud adverts have appeared in Harrow People and Homing In magazines (see fraud awareness section above).</p> <p>PoSHFA 2013 Powers work stream achieved The authority has utilised powers contained within the above act through requests to the National Anti Fraud Network (NAFN) on 36 occasions this year.</p> <p>If approved by NAFN, this enables the authority to access personal financial data held by the banks on individuals on cases of suspected tenancy sub-let, RTB and housing applications where there is doubt over the accuracy of the subject's account of events.</p> <p>Overall fraud savings attributed to this work stream is £2,195.481</p>
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	Fraud work stream	2018-19 Year End outcome
11	<p>Internal fraud & corruption</p> <p>Risk assess 80% allegations of internal fraud and corruption as a priority and deploy resources on those cases where there is corroborative evidence within an average of 5 working days of receipt of the information (KPI3).</p>	<p>Exceeded</p> <p>Of the 6 internal fraud referrals received all were risk assessed and resources allocated in 5 working days.</p> <p>KPI3 target 80%, achieved 100%.</p> <p>There have been 3 positive outcomes during the year.</p> <p>Employee 1 was dismissed during 2017/18 as a result of fraud and corruption investigations. The employee had diverted significant sums of Housing Benefit payments from live claims into accounts that they had some element of control over. They were successfully prosecuted in August 2018 and sentenced to 3 years imprisonment. Court costs of £22,000 were also awarded to the authority. There is a live proceeds of crime act (POCA) investigation into the recovery of losses amounting to £113,628.00 due to be heard in court in July 2019.</p> <p>Employee 2 was arrested in April 2018 and dismissed in June 2018 following misuse of company purchase cards resulting in salary savings of £19,890. The matter is still live under investigation by the Metropolitan Police and the CAFT is supporting the investigation.</p> <p>Employee 3 was dismissed in September 2018 following an investigation into misuse of Council equipment resulting in salary savings of £22,734. This investigation is still live.</p> <p>Overall fraud savings attributed to this work stream is £178,250</p>
12	<p>Revenues/Business Rates/Council Tax Support fraud</p> <p>Work in partnership with Revenues and Benefits to investigate allegations of fraud and abuse on a risk basis of the Council Tax, Council Tax Support and Non Domestic Rates Systems, including exemptions, discounts and reliefs, apply appropriate sanctions where fraud is proven and assist in the recovery of fraud related losses</p>	<p>Achieved</p> <p>The team processed 8 referrals of Council Tax discount/exemption fraud, CTRS fraud and NNDR fraud. There have been 15 positive outcomes during the year mainly identified from linked investigations into tenancy fraud where the tenant was in receipt of a benefit/exemption/reduction but no longer occupied the address as their principle home.</p> <p>CTRS/CTB £27,538.52 HB £40,711.50</p> <p>Overall fraud savings attributed to this work stream is £68,249.75</p>

	Fraud work stream	2018-19 Year End outcome
13	<p>Social care fraud</p> <p>Work in partnership with the People Directorate to investigate allegation of fraud and abuse of the social care system including but not limited to:-</p> <ul style="list-style-type: none"> • Personal budget applications, assessment and monitoring of spend • A proactive fraud risk based exercise in relation to those individuals being financially supported in long term residential care 	<p>Achieved</p> <p>There have been 4 positive outcomes involving social care cases; 3 involving residential care home cases (2 deceased cases where the care home had failed to inform of the death which was identified via the National Fraud Initiative – see section 6 NFI) and 1 case where undeclared applicant capital was identified after an full investigation.</p> <p>A personal budget investigation resulted in the applicant being made full cost for care following an investigation that identified undeclared property ownership that the applicant's representative failed to disclose on the financial assessment.</p> <p>A proactive fraud risk based exercise in relation to residential care financial assessments commenced in Q4 and of the 20 cases reviewed, 3 are live under ongoing investigation with suspicions that the applicant / representative have failed to disclose capital.</p> <p>Overall fraud savings attributed to this work stream is £40,490.40</p>
14	<p>Partnership working</p> <p>Responding to requests for information in a timely manner from our law enforcement partners e.g Police, HMRC, Other LA's etc</p>	<p>Achieved</p> <p>The team handled many requests for information from other law enforcement agencies to support their work and have maintained a positive working relationship with the Department for Work & Pensions, the Metropolitan Police and other forces in the UK, the UK Border Agency, Registered Social Landlords and other Local Authorities.</p>
15	<p>Risk assess allegations of fraud and corruption</p> <p>Risk assess 80% of allegations of fraud and corruption and deploy resources on those cases deemed sufficiently high enough fraud risk within an average of 10 working days of receipt of the information. (KPI4)</p>	<p>Exceeded</p> <p>Of the 175 referrals received during the year, 145 (83%) were risk assessed and resources deployed to those cases accepted for investigation within 10 working days.</p> <p>KPI4 target 80%, achieved 83%.</p>

Work Undertaken in Addition to the Plan

	Fraud work stream	Target	2018-19 Year End outcome
330	<p>Support the Concessionary Travel Team in the enforcement of the disabled parking blue badge scheme</p> <p>Provide advice, administrative support and to act as the single point of contact between the Blue Badge Fraud Investigation Service (BBFI) and the authority in blue badge enforcement work in the borough.</p>	Q1-4	<p>Support the Concessionary Travel Team in the enforcement of the blue badge scheme</p> <p>A 12 month pilot of blue badge enforcement work undertaken by a contractor; Blue Badge Fraud Investigation (BBFI) commenced in January 2018 funded by Concessionary Travel. Blue badge fraud risks, whilst potentially high in occurrence, did not feature as a significant fraud risk for the CAFT to make it onto the annual fraud plan.</p> <p>The CAFT therefore acted as the single point of contact for the authority and provided support to the BBFI, particularly around processing prosecution bundles assisting in interviews and instructing HB Public Law to commence prosecution proceedings.</p> <p>The pilot resulted in 17 successful prosecutions over the 12 month period.</p> <p>Overall fraud savings attributed to this work stream is £18,199.60</p>

Performance of Corporate Anti-Fraud Team

Introduction

A number of Key Performance Indicators (KPIs) were agreed as part of the 2018/19 Corporate Anti-Fraud Plan and performance against these is set out in the table below:

No.	CAFT Key Performance Indicators 2018/19	Target	Mid-year	Year-end	Comments
1.	Recovery of 12 social housing units subject to fraud and misuse	100%	42%	108%	Exceeded 13 social housing units subject to fraud and abuse have been recovered including 2 intercepted succession applications and 2 RSL properties.
2.	Fraud validation checks undertaken on Right to Buy applications referred to the CAFT at offer stage and before completion	90%	100%	100%	Exceeded 26 Right to Buy applications received by the team during in the year all (100%) had anti money laundering checks carried out before purchase or were in progress before a decision made to accept or deny the purchase.
3.	Internal fraud and corruption referrals risk assessed and resources deployed in 5 working days	80%	100%	100%	Exceeded Of the 6 internal fraud and corruption referrals received by the team, all 6 (100%) were risk assessed and resources deployed within 5 working days
4.	Fraud and corruption referrals risk assessed and resources deployed in 10 working days	80%	84%	83%	Exceeded Of the 175 referrals received by the team during the year, 145 (83%) were risk assessed and resources deployed within 10 working days.
5.	Fraud risk recommendations agreed for implementation ⁶	60%	100%	87%	Exceeded Of the 23 fraud risk recommendations made by the team in reports, 20 (87%) were agreed for implementation by service areas

331

⁶ New KPI for 18/19

KPI Summary

This is the first occasion the team has met and exceeded all of the performance indicators having commenced the measurement in 2016/17. It has taken three years of building performance to achieve this outcome which is positive. The challenge now is to achieve stability and maintain this level of performance and once this is achieved, consideration can be given to making the indicators more challenging.

Fraud referrals, outcomes and savings summary

Fraud Risk Area	18/19 Q1 & 2	18/19 Q3 & 4
Housing application fraud Referrals Positive outcomes Savings	13 2 £54,000	5 2 81,000
Blue badge Referrals Positive outcomes Savings	35 10 (successful prosecutions) £9,145 (inc notional savings, courts costs and fines) ⁷	13 7 (successful prosecutions) £9,054.60 (inc notional savings, court costs and fines)
Fraud other Referrals Positive outcomes Savings	4 0 0	4 0 0
No Recourse to Public Funds Referrals Positive outcomes Savings	2 0 0	0 0 0
Revenues/CT/CTRS/HB Referrals Positive outcomes Savings	7 0 0	1 15 £68,249.75 ⁸

333

⁷ Harrow notional value of a blue badge positive outcome is £500

⁸ 15 overpayments of Council Tax Support, Council Tax Benefit and Housing Benefit identified as a result of a tenancy fraud investigation where the findings were shared with Housing Benefits

Internal Referrals Positive outcomes Savings	4 3 (2 employee dismissals and 1 successful prosecution of a former employee already dismissed) £178,250	2 0 0
Right to Buy Referrals Positive outcomes Savings	11 4 £419,600 (4 x £104,900 RTB discounts prevented)	15 4 £432,000 (4 x £108,000 RTB discounts prevented)
Social care/grants Referrals Positive outcomes Savings	4 1 £24,360 (1 x residential care case)	26 3 £16,130.4 (1 x direct payment case prevented)
Tenancy Referrals Positive outcomes Savings	17 6 £558,000 (5 x tenancies recovered & 1 succession rejected)	18 7 £651,481.75 (6 tenancies recovered, 1 succession rejected and recovery costs)
NFI Positive outcomes Savings		218 £811,465.9
Totals Referrals Positive outcomes Fraud Savings	 97 26 £1,243,355	 84 256 (inc NFI cases) £2,069,382