

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.



Governance
Structure (Final).docx

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 2016/17 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 2016/17 and a review of a selection of joint working arrangements, as directed by the Governance, Audit, Risk Management and Standards committee. 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 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 also in place to deal with member and staff transgressions from these codes. Policies are also in place for dealing with whistleblowing and conflicts of interest.

The new 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.

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.

3.3 Acting in the Public Interest

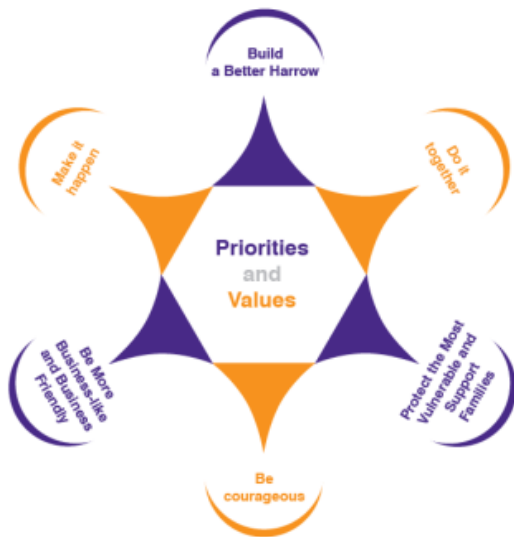
The annual review of governance 2016/17 confirmed that the Council can demonstrate a commitment to openness and acting in the public interest. This is achieved via the implementation of a governance structure which includes codes of conduct, a corporate appraisal process, a Standards Committee, registers 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.

3.4 Communication and Consultation

An annual Communications Plan is produced each year that is linked to the Harrow Ambition plan, which includes our approach to consultation based on the agreed consultation standards and a consultation toolkit is also in use. The annual plan contains a review of the effectiveness of the previous year's plan. The 2017/18 Communications plan is currently being drafted to reflect the direction of the service since it was brought back in-house since April 2017.

An annual reputation tracker measures a standard agreed set of performance outcomes for the effectiveness of communications as well as other resident perception measures.

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 during 2016/17.

The original plan was communicated widely across the Council and the refreshed version is available on both the Council's external and internal websites.

This diagram, included in the plan, illustrates the 'golden thread'

between the Council's vision and the Council's plans.

Divisional service plans in place for 2016/17 include links to the Corporate Priorities contained in the Harrow Ambition Plan. The Corporate 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 Ambition Plan contains courses of action to be taken by the Council to implement the vision and the refreshed plan 2017 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

The Council's Cabinet receives quarterly reports on strategic performance, revenue and capital expenditure and treasury management. Each Directorate also has an Improvement Board in place to which performance reports are made on a quarterly basis. Issues arising from the Improvement Boards are reported to the Corporate Strategic Board at quarterly performance mornings and to Cabinet.

During 2016/17 the Council benefited from a Peer Review, a panel of councillors and senior council officers from other local authorities who assessed the Council's strengths and plans for improvement, that found that the *'London Borough of Harrow is a good council that has been energised by the new values recently agreed for the authority'*. An Ofsted inspection of our Children's Services was also undertaken that concluded *'Children in Harrow receive services that are well matched to their needs, reduce risk and improve their outcomes'*.

Service plans linked to Corporate Priorities contained in the Harrow Ambition Plan, key performance indicators and key projects and initiatives reported in the quarterly Strategic Performance reports to CSB and Cabinet throughout 2016/17 and also through quarterly improvement boards and benchmarking and other options are used to ensure that services and projects are delivered in accordance with defined outcomes, that they represent best use of resources and value for money.

3.9 Roles and Responsibilities

The roles and responsibilities of members and the most senior managers and statutory officers have been defined and documented in the constitution. The roles and responsibilities of other managers and staff are defined and documented in Role Profiles attached to each post.

The annual review of governance confirmed that clear protocols for effective communication in respect of the authority and partnership arrangement were in place for 2016/17.

3.10 Financial Management

The Council's financial management arrangements during 2016/17 conformed with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)*.

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 2016/17 to discharge these duties.

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 Chief Executive during 2016/17.

3.13 Development Needs

New members receive a Members Induction pack and regular training sessions are held for members covering their strategic roles. In 2016/17 trainings sessions covered corporate parenting and safeguarding children, code of conduct, data protection act and freedom of information as well as specific training for members who sit on committees such as planning and licensing. A Corporate Development Programme is also in place for officers.

3.14 Managing Risks

The framework for identifying and managing risks was updated during 2016/17 and consists of a series of risk registers that feed into an overarching Corporate Register that is reviewed and update quarterly and presented to the Corporate Strategy Board and the Governance, Audit, Risk Management & Standards Committee for review and challenge. The owner of each risk is clearly shown in the risk register.

3.15 Counter Fraud and Anti-corruption Arrangements

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 2015/16 that identified three main work streams to improve the Council's arrangements: the development of a fraud risk register; increasing awareness of fraud and corruption and to review and refresh the Council's Corporate Anti-Fraud and Corruption Strategy. During 2016/17 the strategy has been refreshed and agreed and work was begun on increasing awareness and the development of a fraud risk register.

3.16 Scrutiny

The scrutiny function comprises an Overview and Scrutiny Committee, a Performance and Finance Sub-Committee, a Health Sub-Committee and lead members for key areas. A clear structure has been developed to enable constructive challenge of the Council's performance to take place; however a Peer Review of the Council undertaken in 2016/17 concluded that 'there is opportunity to review the role of overview and scrutiny to enable the council to benefit from constructive challenge and policy development from non-executive councillors'. As a result the Centre for Public Scrutiny has been commissioned to undertake a review of the Council's scrutiny arrangements and this will be reported during 2017/18.

3.17 Internal Audit

Assurance arrangements during 2016/17 conformed with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)* and a peer review of the Internal Audit service undertaken during 2016/17 confirmed that the service 'generally complies' with the Public Sector Internal Audit Standards i.e. with a few minor exceptions.

3.18 Audit Committee

The duties of the audit committee are undertaken by the Governance, Audit, Risk Management & Standards Committee and are in-line with the core functions of an audit committee as identified in *Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013)*.

3.19 External Audit

During 2016/17 the authority provided timely support, information and responses to the Council's external auditors, KPMG, and properly considered their audit findings and recommendations, although five of out of thirteen prior year recommendations have yet to be fully implemented, as demonstrated in the committee papers and reports presented to the Governance, Audit, Risk Management & Standards Committee.

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 annual governance review the governance arrangements for the shared legal service (HBPL), the shared procurement service, the authority owned trading company Smart Lettings and partnership arrangements

with IBM for adult social care (Project Infinity) have been reviewed and assurance obtained that reasonable governance arrangements are in place.

There will be an on-going review of governance in other joint working arrangements throughout 2017/18.

3.21 Health & Safety

A peer review of Health & Safety Management was undertaken during 2016/17 and as a result a draft Corporate Health & Safety Strategy has been 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 contains an action plan setting out how, when and by whom this will be achieved.

Subsequent to this, as part of the annual review of governance, it has been established that the Corporate Health & Safety Board only met once during 2016/17, did not receive quarterly H&S reports and nor was an annual H&S report prepared by the service. Consequently no reports were presented to CSB, who as stated in the strategy retain overall corporate responsibility for H&S governance, or the GARMS Committee, whose remit includes 'To review the Council's Health and Safety arrangements and monitor progress on Health and Safety'.

The draft Strategy for 2017-18 states (not as part of the action plan) that 'the Corporate Health & Safety Board will meet on a quarterly basis and will:

- sign off all health & safety risk registers;
- discuss areas of concern; and
- agrees items for future agenda items/areas of concern for DMTs and Safety Circles.

However neither this nor the action plan within the draft Strategy fully addresses the governance gap identified.

4. Level of Assurance

The 2016/17 annual governance review has provided assurance that a good level of governance is in place across the Council, other than the one significant gap highlighted, and that arrangements continue to be fit for purpose in accordance with the governance framework. This is supported by the Head of internal Audit's Opinion on the system of internal control which is also rated as 'good'.

5. Significant Governance Issues

A significant governance gap has been identified in relation to Health & Safety governance as detailed in paragraph 3.21 above.

To address this it has been agreed with the Divisional Director of Environment & Culture that from October 2017:

- the remit/terms of reference of the Corporate H&S Board be reviewed and consideration given to whether a separate board is required;
- that quarterly reports will be prepared and presented to the ‘board’, and to GARMS Committee and ;
- an annual report will be prepared for the ‘board’, GARMS Committee and Cabinet.

6. Previous Governance Issues

No significant governance issues were identified in last year’s annual governance statement.

7. Conclusion

Updates on the implementation of the agreed actions to address the significant governance gap identified in paragraph 5 above will be provided to the Governance, Audit, Risk Management and Standards Committee throughout 2017/18 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 an external Peer Review and is signed on behalf of the authority by:

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Cllr Sachin Shah
Leader

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Michael Lockwood
Chief Executive

Date: