

K. CODE ON CORPORATE GOVERNANCE

1. Introduction

Corporate Governance is the system and processes, culture and values by which local authorities are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities. Governance is about how organisations ensure they are doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.

The London Borough of Harrow (the Council) recognises the need for sound corporate governance arrangements and has put in place policies, systems and procedures designed to achieve this (the Governance Framework). This local code is based on the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in their publication 'Delivering Good Governance in Local Government 2016', it outlines the Council's approach to corporate governance and demonstrates our commitment to uphold the highest standards of accountability, leadership, integrity, sustainability and transparency (A-LIST).

The Council will report on its compliance with this Code and the Governance Framework in its Annual Governance Statement.

What does Good Governance Look Like?

Good Governance comprises the processes and structures put in place to ensure that the intended outcomes for stakeholders are defined and achieved, focusing on achieving economic, social, and environmental outcomes. Furthermore, the focus on sustainability and the links between governance and public financial management are crucial. The core principles and sub-principles of good governance and how they are met at Harrow are set out in the tables below. However, good governance cannot be achieved by rules and procedures alone. Shared values that are integrated into the culture of the organisation, and are reflected in both behaviour and policy, are hallmarks of good governance.

To deliver good governance, both the Council and those working for it must try to achieve the Council's objectives while always acting in the public interest. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders. Ethical behaviour is the cornerstone of good governance. Local government relies on the credibility of and public confidence in elected Members and officers. As such, it is important that all Members and officers operate in an open and accountable manner, demonstrating high standards of conduct at all times. In their guidance notes, Delivering Good Governance in Local Government (2016), CIPFA/SOLACE identifies the seven principles of good governance, as seen in the following diagram.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



Purpose of the Code of Governance

This Code of Governance is based on the principles above and is compatible with the Committee on Standards in Public Life's Seven Principles of Public Life which are as follows:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Principles of Good Governance

| A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. | |
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| Supporting Principles | How the Principles are met by the Council |
| Ensuring Members and officers behave with integrity and develop robust policies which place emphasis on agreed ethical values. | The Principles of Public Life are established within both the Members Code of Conduct and the employees Code of Conduct. Both Codes outline the behaviours and values that are required when acting in the capacity of an elected Councillor or officer of the Council. The Leader, the Governance, Audit, Risk Management and Standards Committee (GARMS) and the Council's Monitoring Officer are responsible for promoting and maintaining high standards of conduct of elected Members. |
| Seeking to establish, monitor and maintain the Council's ethical standards and performance. | <p>The GARMS Committee makes recommendations to Council on how it can satisfy the continuing duty to promote and maintain standards of conduct by Members, as well as ethical standards in general across the authority.</p> <p>There is a process for dealing with member complaints which means that in some circumstances the GARMS committee may hear allegations of breaches of the code.</p> |
| Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with ethical standards. | Contractors contracts may require that they act in compliance with all relevant council policies and the law. |
| 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>All Council, Cabinet, GARMS and some other committee reports are subject to clearance procedures, to ensure decisions taken are compliant with the budget and policy framework, the law and the council's constitution.</p> <p>Schemes of delegation are outlined in the constitution detailing how Chief Officers will discharge the powers within their remit. Directors are responsible for compliance with the schemes of delegation.</p> <p>Member oversight is through the Overview and Scrutiny Committee, the GARMS Committee and Full Council.</p> |
| Dealing with breaches of legal and regulatory provisions effectively. | Appropriate action is taken by the Council's legal services (Harrow & Barnet Public Law - HBPL) with oversight by the Monitoring Officer in liaison with officers within the Audit & Anti Fraud Service. |
| Ensuring corruption and misuse of power are dealt with effectively. | The Corporate Anti-Fraud Team investigate all allegations of fraud and irregularities across the council and its partners. |

| B. Ensuring openness and comprehensive stakeholder engagement. | |
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| Supporting Principles | How the Principles are met by the Council |
| 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. | <p>Cabinet and Committee reports cover the options available and the reasons for recommendations.</p> <p>Every report sets out why the report is needed, reasons for the recommendation(s) and alternative options considered but not recommended. The formal minutes of the meeting will record the reasons for Members decisions, which are then published on the council's website. Delegated powers reports by officers also record reasons for decisions.</p> |
| 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. | Where formal partnerships exist between institutional bodies, where appropriate, joint strategies and plans are developed in a collaborative way and jointly adopted through a joint body. The Council is keen to work with the voluntary sector. |
| Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. | <p>Examples include the Health & Wellbeing Board and the Harrow Safer Neighbourhood Board.</p> <p>The Council is developing a Harrow Voluntary and Community Sector Engagement toolkit and framework.</p> |
| Ensuring that 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. | |
| 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 provision is contributing towards the achievement of intended outcomes. | <p>There are consultation standards in place which detail the type of decisions that the council will consult upon, who we will consult with and how feedback will inform decisions taken.</p> <p>Consultation takes place on any issue that affects residents such as service or policy changes, or various statutory processes (such as planning, traffic or highways matters). Legal advice is given about when the Council needs to consult.</p> |

| C. Defining outcomes in terms of sustainable economic, social and environmental benefits | |
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| Supporting Principles | How the Principles are met by the Council |
| 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. | Harrow's Corporate Plan 2023-2026 sets out the three priorities, which are: <ul style="list-style-type: none"> • A council that puts residents first, • A borough that is clean and safe • A place where those in need are supported. The Plan outlines these priorities and how the Council will work to achieve them. The Budget for 2023/24 and Medium-Term Financial Strategy 2023/24-2025/26 outlines how resources will be aligned to the Corporate Plan. The corporate scorecard, which is the scorecard that links to the Corporate Plan and priorities, goes to Cabinet as part of the Strategic Performance Report each quarter. |
| 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. | Impact of decisions will be evidenced in council committee reports and in delegated powers reports. Equality issues will be further evaluated within equality impact assessments. Consultation feedback is taken into account when decisions are made. |
| Delivering defined outcomes on a sustainable basis within the resources that will be available. | The Corporate Plan, Budget and Medium Term Financial Strategy set out the Council's strategic priorities and how resources will be allocated to support these. All committee reports must include a section on any implications any decisions or recommendations will have on resources. |
| Identifying and managing risks to the achievement of outcomes. | Risk Management Framework is in place and a Corporate Risk Register is maintained, which is reviewed by GARMS Committee at least six monthly and published on the Council's website. Mitigating actions are put in place where required. Directorate Risk Registers are also maintained and reported through GARMS at least annually. Risks are reported periodically to the Council Leadership Team and Performance Boards. |
| Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available. | Where appropriate, and in compliance with statutory duties, public consultation is carried out with service users. |
| Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. | Committee reports cover this principle. The Council produces a Local Plan and strategic cross-borough planning is also undertaken by the West London Economic Prosperity Board. |

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| 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. | Committee reports cover this principle, with alternative options considered and implications of all decisions being outlined in every report. The Medium-Term Financial Strategy also covers these principles |
| Ensuring fair access to services. | Committee reports cover equality legislation and ensure that decision-makers are aware of impact upon citizens with protected characteristics. Equality impact assessments are completed where relevant. |

| D. Determining the interventions necessary to optimise the achievement of the intended outcomes | |
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| Supporting Principles | How the Principles are met by the Council |
| Determining the right mix of corporate (legal, assurance, regulatory and finance) interventions to ensure intended outcomes are achieved. | Committee and officer delegated powers reports contain comments from Legal and Finance and Legal/Financial clearance must be obtained. |
| Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised. | Committee reports detail post-decision implementation steps. If outcomes are not delivered, the relevant Chief Officer will ensure that the decision is reviewed, and remedial steps taken. |
| Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and of associated risks – therefore ensuring best value is achieved however services are provided. | Chief Officers and their direct reports evaluate options and give appropriate advice to decision makers. Committee reports include sections on 'Alternative options considered and not recommended', 'implications of decisions' and 'Risk Management'. |
| 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. | Feedback from public consultations and the Citizens Panel is set out within relevant committee reports and delegated powers reports and used to inform decision making. |
| Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. | The corporate scorecard, which links to the Corporate Plan and priorities, goes to Cabinet as part of the Strategic Performance Report each quarter. In addition, an annual planned programme of work is undertaken by Internal Audit. |
| Considering and monitoring risks facing each partner when working collaboratively, including shared risks. | The Council has a number of significant strategic partnerships across a range of areas, including with the voluntary sector, children and young people, adults, community safety, health, housing, economic development, and |

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| | regeneration. Partnership or shared joint risks facing each partner should be overseen by each individual partnership body. This has been added to the draft 2023/24 AGS as a governance weakness, steps taken to mitigate the risks to the Council will be followed up in 2024/25. |
| Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances. | When making a decision, or making recommendations to Members regarding a preferred option, Chief Officers take into account the following: delivery of high-quality services, value for money and the scope to vary arrangements to take into account changing circumstances. |
| Establishing appropriate key performance indicators (KPIs). | The corporate scorecard which links to the Corporate Plan and priorities, goes to Cabinet as part of the Strategic Performance Report each quarter. |
| Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. | As set out within the Constitution's Financial Regulations and the Medium-Term Financial Strategy. |

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

| Supporting Principles | How the Principles are met by the Council |
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| Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. | The Corporate Scorecard, that links to the Corporate Plan goes to Cabinet quarterly as part of the Strategic Performance Report. Quarterly performance reviews by Scrutiny Chairs were also introduced from Q3, 2023/24. |
| Improving resource use through application of techniques such as benchmarking to determine how resources are allocated so that defined outcomes are achieved effectively. | <p>Various benchmarking exercises are undertaken across the Council, including but not limited to, LG Inform, Oflog, DfE, DHSC, CIPFA, Housemark. Best practice reviews are undertaken as part of service improvement initiatives.</p> <p>The Council is subject to inspections such as Ofsted, CQC and the Office of the Surveillance Commissioner.</p> <p>The Council actively uses the LGA peer review network and has benefitted from Corporate and Adult Social Care peer reviews.</p> |
| Recognising partnership benefits and collaborative working where added value can be achieved. | Full engagement through the Health & Wellbeing Board, Safer Harrow and Harrow Community Partnership. |

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| <p>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> | <p>The Council's Constitution is explicit about which decisions are reserved for Council or committees and which are delegated to officers. Chief officers maintain schemes of delegated authority that are published and regularly updated.</p> |
| <p>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 set by members.</p> | <p>The Council's Constitution details the roles and responsibilities of the leader (Article 6) and Managing Director (Article 9). The leader and councillors set the councils' priorities and strategic direction; the chief executive is responsible for delivering these priorities, supported by chief officers.</p> <p>There is also a Code on Member and Officer Relations in the constitution.</p> |
| <p>Developing the capabilities of members and officers, including induction, continuing professional development training, and lessons learnt from governance weaknesses.</p> | <p>A Member Development Programme is agreed and implemented during each council cycle. A member development portal and newsletter is being developed. The Monitoring Officer is supported by the Leader and the Leader of the Opposition in ensuring that before serving on some committees Members undergo training.</p> <p>Members are strongly encouraged to keep their knowledge and skills up to date in relation to the committees that they serve on. A comprehensive induction programme is provided to all new Councillors following the local elections, as well as following any by-elections. Officers have an induction programme, a corporate learning and development programme and an e-learning Hub is in place. Where governance weaknesses are identified, remedial actions are put in place and delivery is monitored.</p> |
| <p>Ensuring that there are structures in place to encourage public participation.</p> | <p>Public participation rights are set out in the Constitution; decisions that affect residents are usually the subject of public consultation.</p> |
| <p>Holding staff to account through regular performance reviews which take account of training or development needs.</p> | <p>Annual appraisals were conducted in many parts of the Council and have been reintroduced to cover the whole Council which consider training / development needs and ensure that these are addressed. Regular 1-2-1's take place where training/development are also discussed.</p> |
| <p>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> | <p>Arrangements are put in place by Human Resources, this is also included in the recently published Workforce Strategy.</p> |

| F. Managing risks and performance through robust internal control and strong public financial management | |
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| Supporting Principles | How the Principles are met by the Council |
| Implementing robust and integrated risk management arrangements and ensuring that responsibilities for managing risks are clearly allocated. | A Risk Management Framework is in place, with officer responsibilities clearly allocated. Strategic risks are reported to the GARMS Committee, theme committees and Chief Officers. |
| Monitoring service delivery effectively including planning, specification, execution and independent post implementation review. | Chief Officers are responsible for delivering services within their respective portfolios including specifying outcomes/outputs, monitoring performance, contract management and post-implementation reviews. Internal Audit provide independent assurance on key financial systems and areas of service delivery on a risk-based approach. |
| 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. | All committee reports and delegated powers reports require information on relevant risks and how these will be managed. |
| Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making. | A Leader/Cabinet model governance structure is in place. The Leader of the Opposition is able to participate in discussions at Cabinet and ask questions. Members are able to ask questions at all other committee and Council meetings. The Council has an active Overview and Scrutiny Committee which conducts pre and post-decision scrutiny. |
| Providing Members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. | Regular reports are taken to the Corporate Leadership Team. Progress on the Corporate Plan and flagship actions are reported to Cabinet. |
| Ensuring effective counter fraud and anti corruption arrangements are in place. | Responsibilities are set out within the Constitution and Code of Conduct for Employees. This has recently been refreshed and webforms have been developed for reporting gifts and hospitality, outside working and interests so that these may be collated centrally. In addition, the Corporate Anti-Fraud Team is in place with the necessary specialist skills to undertake various types of fraud and anti-corruption investigations. |

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| Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. | Assurance undertaken by Internal Audit with a plan of work being approved by the GARMS Committee on an annual basis. |
| Ensuring an Audit Committee or equivalent group function provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. | Assurance provided by the GARMS Committee. |
| Ensuring effective arrangements are in place for data use and storage and when sharing data with other bodies. | Arrangements in place with the Information Management Team. |

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

| Supporting Principles | How the Principles are met by the Council |
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| Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style. | Report template provide to clarify information required in each section of reports. Officers, via the report clearance process, review the content and structure of reports to ensure that they can be understood by the public and stakeholders. Democratic Services officers will give advice about report writing. |
| Providing sufficient information to satisfy transparency demands while not being too onerous for users to read and understand. | Published datasets and other information of interest are available on the Council's website. Council, Cabinet and committee reports are available on the website. |
| 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. | The Council produces an Annual Governance Statement, which provides a self-assessment of compliance with the Framework and actions which need to be undertaken to address any governance or practice weaknesses identified. The AGS is published as part of the annual accounts and reported to the GARMS Committee and the Council as part of the statement of accounts closure process. |
| Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate. | Arrangements are covered by inter authority agreements which include good governance principles. |
| 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. | In place through Internal Audit and the tracking of recommendations via quarterly GARMS Committee reporting. |

Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement.

The Council's trading structure includes the following legal entities set up to provide a financial or other benefit to the council whilst enabling it to undertake specific commercial activities (Concilium Group Limited (Holding Company), Sancroft Community Care Limited UK, Concilium Assets LLP and HSDP Nominee Ltd, Leefe Robinson Mews Management Co Ltd, Pinnora Mews Management Co Ltd. There is also a shared legal service where Harrow is the lead authority (HBPL), this is not a separate legal entity.

The Council has the right of access to the records (including minutes of Management Board meetings) and internal audit reports of Concilium Assets LLP via contract clauses within our contract.

Under the best practice principles of the Committee on Standards in Public Life the Council encourages these entities to publish minutes of board meetings.

Chief Officer structure details accountability lines for services and portfolios of activity. Public accountability requirements are met via publication of committee information on the website, opportunities for public participation, consultation on key decisions, Freedom of Information requests and information on the Council's website.