

Haringey Council

Report for:	Cabinet 9 July 2013	Item Number:	
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Title:	Review of the Local Code of Corporate Governance
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Report Authorised by:	Bernie Ryan, Head of Legal Services and Monitoring Officer <i>Bernie Ryan</i>
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Lead Officer:	Victoria Wyatt, Senior Corporate Lawyer
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Ward(s) affected: All	Report for: Non Key Decision
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1. Describe the issue under consideration

- 1.1 To inform Cabinet members of the review of the local Code of Corporate Governance and obtain the Cabinet's approval to the updated Code which is to be recommended to full Council on 15 July for adoption.

2. Introduction by the Leader

- 2.1 The Local Code of Corporate Governance helps to define what members and officers should be doing to promote good governance within the Council, as well as reinforcing public confidence in the integrity and effectiveness of the Council's operations. The 'Nolan Committee' on Standards in Public Life Council developed six core principles for all public bodies. The Code builds on these with a series of supporting principles to show how good governance is achieved in practice. The revisions to the Code take into account the most recent CIPFA/SOLACE guidance.

3. Recommendations

- 3.1 That Cabinet members approve the revised Local Code of Corporate Governance as attached as the Appendix to the report and recommend to full Council meeting on 15 July that the revised Code be adopted.



4. Alternative options considered

4.1 The adoption of a local Code of Corporate Governance is not an express statutory function and there is no legal requirement for such a Code to be adopted. However, it recommended as proper practice by the Department for Communities and Local Government to adopt a local Code of Corporate Governance in accordance with the CIPFA/SOLACE framework, entitled "Delivering Good Governance in Local Government". The review of corporate governance is integral to the integrity of the Council and its decision-making processes.

5. Background information

5.1 This report is related to a report on the draft Annual Governance Statement (AGS) which has been considered by the Corporate Committee on 27 June. The AGS should be finally approved together with the Council's Statement of Accounts for 2012/13, at the Corporate Committee meeting on 19 September. In accordance with regulation 4 of the Accounts and Audit (England) Regulations 2011, the AGS is the formal statement that recognises, records and publishes the effectiveness of the governance framework across the Council.

5.2 The Code of Corporate Governance exists as part of the authority's governance framework. The CIPFA/SOLACE framework, "Delivering Good Governance in Local Government" (2007) established principles and standards to assist local authorities to develop and maintain their codes of governance and discharge their accountability for the proper conduct of business. To ensure that their guidance remained fit for purposes, CIPFA/SOLACE issued an Addendum to the Guidance in December 2012.

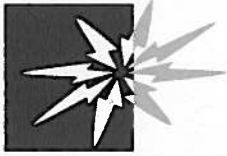
5.3 The framework places significant emphasis on six core principles of good governance. These principles have been taken from 'The Good Governance Standard for Public Services' (2004) developed by the Independent Commission on Good Governance in Public Services with support from the Office Public Management and CIPFA. The principles have been adapted to local government purposes for the framework and are included in the Haringey Code of Corporate Governance.

5.4 The six core principles of good governance are:

A - Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.

B - Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

C - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.



D - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

E- Developing the capacity and capability of members and officers to be effective.

F - Engaging with local people and other stakeholders to ensure robust public accountability.

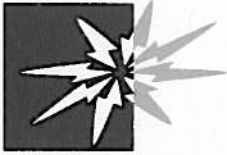
- 5.5 On 14 July 2008, full Council approved the Haringey Code of Corporate Governance. A review of the current Code by the Monitoring Officer (the Lead Officer responsible for monitoring the Code's effectiveness) has resulted in a number of minor changes to ensure that the Code is up to date and fit for purpose. A summary of the changes are set out below:

General and format changes

- 5.6 All hyperlinks in the document have been updated.
- 5.7 Reference to the Remuneration Committee has been updated with the Corporate Committee, and reference to the Audit Committee has been updated with the Corporate Committee.

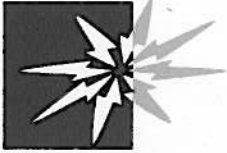
Introduction and background

- 5.8 This has been updated to reflect the abolition of the national Model Code of Conduct for councillors and to include the recent revision to the CIPFA/SOLACE guidance. The review arrangements undertaken by the Lead Officer at paragraph (g) have been revised to streamline the process with the Annual Governance Statement.
- 6. On-going review of the Local Code of Corporate Governance and process for consulting Member Bodies**
- 6.1 The adoption of a Local Code of Corporate Governance is not an express statutory function and there is no legal requirement for the formal decision on any review to be taken either by Cabinet or full Council.
- 6.2 It is proposed that going forward, the annual review of the Code is presented to the Corporate Committee as part of its audit function, at the same time that the Committee is presented with the draft Annual Governance Statement in the summer of each year. It is recommended that should any revisions to the Code be recommended, these should be approved in the same way as the original Code, that is, any changes will be presented to the Cabinet for approval and recommendation on to full Council for adoption.



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- 6.3 Given the importance of the Code for the Council's audit functions, the revised Code has been reported to the Corporate Committee at its meeting on 27 June.
- 6.4 The Monitoring Officer as Lead Officer will continue to oversee the review of the Code and of its effectiveness, supported by the core officer group responsible for the completion of the AGS, which also comprises the Head of Local Democracy & Member Services, the Head of Audit & Risk Management and key officers from within the Legal Service, Corporate Finance and Strategy and Business Intelligence.
- 7. Comments of the Chief Finance Officer and financial implications**
- 7.1 The CFO has been consulted on the report and has no specific comments to make and confirms that there are no specific financial implications.
- 8. Head of Legal Services and legal implications**
- 8.1 A Code of Corporate Governance is recommended by the guidance designated as 'proper practice' by the Department for Communities and Local Government. This being the CIPFA/SOLACE framework, entitled "Delivering Good Governance in Local Government".
- 8.2 There are no direct legal issues arising from this report.
- 9. Equalities and Community Cohesion Comments**
- 9.1 The proposed Code of Corporate Governance reflects values and key commitments enshrined in the Council's Equal Opportunities Policy. In this respect, it will contribute to supporting the Council's compliance with its public sector equality duty.
- 10. Head of Procurement Comments**
- N/A
- 11. Policy Implication**
- 11.1 The Code of Governance has no direct implications for the Council's existing policy, priorities and strategies. Ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where necessary will assist the Council to use its available resources more effectively.
- 12. Reasons for Decision**
- 12.1 Adopting and maintaining the Haringey Local Code of Corporate Governance assists the Council to discharge its accountability for the proper conduct of



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business. The review of corporate governance is integral to the integrity of the Council and its decision-making processes.

13. Use of Appendices

Revised Haringey Local Code of Corporate Governance

14. Local Government (Access to Information) Act 1985

None

LOCAL CODE OF CORPORATE GOVERNANCE

LONDON BOROUGH OF HARINGEY

1. Introduction and Background

(a) Corporate Governance is the system by which organisations are directed and controlled. The Committee on Standards in Public Life (the “Nolan Committee”) concluded that there was a need for comprehensive framework of principles and standards to guide the conduct of local Councillors and local authorities.

(b) In 2007 CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives and Senior Managers), published a Guidance Note and Framework entitled “Delivering Good Governance in Local Government”. The principles and standards set out in the Framework are aimed at helping local authorities to develop and maintain their own codes of corporate governance and discharge their accountability for the proper conduct of business. To ensure that the Framework remained fit for purpose, CIPFA/SOLACE issued an Addendum to the Guidance in December 2012.

(c) Good Corporate Governance requires the authority to be open, transparent, effective, inclusive of all sectors of the community, accountable to the public it serves and demonstrate integrity. This Code is a statement of the ways in which the Council will achieve good corporate governance. It is based upon the six core principles from the Good Governance Standard for Public Services (2004), which should underpin the governance arrangements of all public bodies. These are:

- (1) a clear definition of the organisation’s purpose and desired outcomes,
- (2) well-defined functions and responsibilities,
- (3) an appropriate corporate culture,
- (4) transparent decision making,
- (5) a strong governance team and
- (6) real accountability to stakeholders.

(d) These six core principles have been adapted by CIPFA/SOLACE for the local authority context, as set out in this Code. Under each of these principles there are several supporting principles which exemplify important aspects of the core principles. Each of the supporting principles in turn gives

rise to a range of specific practical requirements which should be reflected in a Local Code of Corporate Governance.

(e) This Local Code of Corporate Governance includes ethical and governance standards applicable to all Members. It is not intended to interfere with the necessarily distinct roles of the Council's Leadership and its Opposition nor to restrict robust political debate which is an essential part of a healthy local democracy.

(f) Haringey Council is committed to the principles of good corporate governance identified in the CIPFA/SOLACE Guidance and confirms its on-going intentions through the adoption and monitoring and development of Haringey's own Local Code of Corporate Governance. The Council recognises that achieving high standards of corporate governance will encourage stakeholders to have confidence in us and will allow the Council to undertake its Community leadership role effectively.

(g) The Lead Officer will be given responsibility for: -

- Overseeing the implementation and monitoring the operation of the Code
- Reviewing the operation of the Code in practice on an annual basis
- Reporting annually to the Corporate Committee on compliance with the Code and any changes that may be needed to ensure its effectiveness in practice. Any changes to Code will be referred to the Cabinet and on to full Council.
- Reporting any significant revisions of the Code to stakeholders.

(h) The Chief Executive and the Leader will make an Annual Statement of Assurance, following the annual report to Council, giving their position on whether the corporate governance arrangements are operating effectively.

(i) This document sets out Haringey Council's Local Code of Corporate Governance and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

(j) The Local Code of Corporate Governance for Haringey can be found:

- On Harinet for Members and officers
- On the Council's website
- By contacting the Head of Local Democracy & Member Services on 0208-489-2623 or the Monitoring Officer on 0208-489-3974.

2. **Core Principle 1 – Focussing on the Purpose of the Council and on Outcomes for the Community and Creating and Implementing a Vision for the Area**

(a) To exercise strategic leadership by developing and communicating clearly the Council's purpose and vision, and its intended outcomes for citizens and service users, we will:

- Develop and promote the Council's purpose and vision
- Review on a regular basis the Council's vision for its area and its implications for the Council's governance arrangements
- Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners, see Working in Partnership.
- Publish an annual report on a timely basis to communicate the Councils' activities and achievements and its financial position and performance.

(b) To ensure that users receive a high quality of service whether directly, or in partnership, or by commissioning, we will:

- Decide how the quality of service for users is to be measured and make sure that the necessary information is available to review service quality effectively and regularly
- Put in place effective arrangements to identify and deal with failure in service delivery.

(c) To ensure that the Council makes the best use of resources and that tax payers and service users receive excellent value for money, we will:

- Decide how value for money is to be measured and make sure that the Council has the information needed to review value for money and performance effectively
- Measure the environmental impact of policies, plans and decisions.

3. **Core Principle 2 – Members and Officers Working Together to Achieve a Common Purpose with Clearly Defined Functions and Roles**

(a) To ensure effective leadership throughout the Council and to be clear about "executive" and "non-executive" functions and the roles and responsibilities of the scrutiny function, we will:

- Set out a clear statement of the respective roles and responsibilities of the Cabinet and of the Cabinet Members individually including the Council's approach towards putting this into practice

- Set out a clear statement of the respective roles and responsibilities of non-executive Members, Members generally and senior officers

(b) To ensure that a constructive working relationship exists between Members and officers and that their respective responsibilities are carried out to a high standard, we will:

- Determine a scheme of delegation and reserve powers within the Council's Constitution including a schedule of those matters specifically reserved to the full Council and update this as required
- Make a Chief Executive responsible and accountable to the Council for all aspects of operational management
- Develop Protocols to ensure that the Leader and Chief Executive have a shared understanding of their respective roles and objectives
- Make a senior officer, the section 151 officer, responsible to the Council for ensuring that appropriate financial advice is given and for maintaining proper records and an effective system of internal financial control
- Make a senior officer, the monitoring officer, responsible to the Council for ensuring that agreed procedures are followed and that all legislation is complied with

(c) To ensure relationships between the Council, its partners and the public are clear so that each knows what to expect of the other, we will:

- Develop Protocols to ensure effective communication between Members and officers in their respective roles
- Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective Corporate Committee
- Ensure that effective mechanisms exist to monitor service delivery
- Ensure that the Council's vision, strategic plans, priorities and targets are developed robustly in consultation with the local communities and key stakeholders and that they are clearly expressed and publicised
- Ensure that Members working in partnership are clear about their roles and responsibilities, individually and collectively, both to the partnership and to the Council
- Ensure that all those working in partnership understand clearly the legal basis of the partnership and the extent of each representative's authority to commit their parent organisation to partnership decisions

4. **Core Principle 3 – Promoting Values for the Authority and Demonstrating the Values of Good Governance through Upholding High Standards of Conduct and Behaviour**

(a) To ensure Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance, we will:

- Ensure that the Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect
- Define and publicise the standards expected in the conduct of Members and officers and in the work of the Council including work with partners and the local communities
- Put in place and maintain in operation arrangements to ensure that Members and officers are not influenced by prejudice, bias or conflicts of interest when dealing with different stakeholders

(b) To ensure that the Council's values are put into practice and remain effective, we will:

- Develop and maintain shared values, including leadership values, for both the Council and its staff which reflect public expectations and communicate these to Members, staff, the community and partners
- Put in place arrangements to ensure that systems and processes reflect appropriate ethical standards and to monitor their continuing effectiveness in practice
- Develop and maintain an effective Standards Committee
- Use the Council's shared values as a guide for decision-making and a basis for developing positive and trusting relationships within the Council
- Pursue a partnership vision with an agreed set of values for assessing decision-making and actions which must be demonstrated by the partners' individual and collective behaviour

5. **Core Principle 4 – Taking Informed and Transparent Decisions which are Subject to Effective Scrutiny and Risk Management**

(a) To be rigorous and transparent about how decisions are taken and to listen and act on the outcomes of constructive scrutiny we will:

- Develop and maintain an effective scrutiny function which encourages effective challenge and which enhances the Council's performance overall and that of organisations for which the Council is responsible
- Develop and maintain open and effective mechanisms for documenting the evidence for decisions and for recording the criteria, rationale and considerations behind decisions

- Put in place arrangements to safeguard Members and staff against conflicts of interest together with appropriate processes to maintain them in practice
- Develop and maintain an effective Corporate Committee dealing with audit functions which is independent of the Cabinet and scrutiny functions
- Make sure that effective, transparent and accessible arrangements are in place for dealing with complaints

(b) To have good quality information, advice and support which ensure that the services wanted and needed by the community are delivered effectively, we will:

- Ensure that decision-makers in the Council and partner organisations have information that is fit for purpose i.e. relevant, timely and with clear explanations of the technical issues
- Ensure that proper professional advice, on matters with financial or legal implications, is available, recorded well in advance of decision-making and used appropriately

(c) To ensure that an effective risk management system is in place, we will:

- Ensure that risk management is embedded into the culture of the Council with Members and managers recognising this is part of their respective roles
- Ensure that effective arrangements for whistle-blowing are in place with access for Members, staff and those contracting with, or appointed by, the Council. For more information on Haringey's whistle-blowing policy see the bottom of the [Ethical Governance](#) page.

(d) To use the Council's legal powers for the full benefit of citizens and communities in the Borough, we will:

- Recognise the limits of lawful action while striving to use Council powers for the full benefit of the community
- Comply with the specific requirements of legislation and the general duties placed on Councils by public law
- Integrate the key principles of administrative law - rationality, legality and natural justice – into the Council's procedures and decision-making processes

6. **Core Principle 5 – Developing the Capacity and Capability of Members and Officers to be Effective**

(a) To make sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles, we will:

- Provide induction programmes tailored to individual needs and also opportunities for Members and officers to update their knowledge regularly
- Ensure that the statutory officers have the necessary skills, resources and support to perform effectively
- Ensure that the roles of the statutory officers are properly understood by all in the Council

(b) To develop the capability of those with governance responsibilities and to evaluate their performance individually and collectively, we will:

- Assess the skills required by Members and officers and develop those skills to enable their roles to be performed effectively
- Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
- Ensure that effective arrangements are in place for reviewing the performance of the Cabinet and individual Cabinet Members and for agreeing action plans to address training or development needs

(c) To encourage new talent for membership of the Council so best use can be made of individuals' skills and resources in balancing continuity and renewal, we will:

- Ensure that effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to, and participate in, the Council's work
- Ensure that career structures are in place for Members and officers to encourage participation and development

7. **Core Principle 6 – Engaging with Local People and Other Stakeholders to Ensure Robust Public Accountability**

(a) To exercise leadership through a robust scrutiny function which effectively engages local people and all local stakeholders and partnerships and which develops constructive and accountable relationships, we will:

- Make clear to all Members, staff and the community that we are democratically accountable for this scrutiny function

- Consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required
- Produce an annual report on the activity of the scrutiny function

(b) To take an effective and planned approach to dialogue with, and accountability to, the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning, we will:

- Ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively
- Hold meetings in public unless there are good reasons for confidentiality
- Ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively.
- The above arrangements will recognise that different sections of the community have different priorities and will establish processes for dealing with these competing demands
- Establish a clear policy on the types of issues where we will consult, or engage the public and service users, including a feedback mechanism to demonstrate to consultees what has changed as a result of consultation
- Publish an annual performance plan with information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and service user satisfaction in the previous year
- Ensure that the Council is open and accessible to the community, service users and its own staff and committed to openness and transparency in its dealings including partnerships subject to the protection of confidentiality where necessary and appropriate see more information on the [Have Your Say](#) pages.

(c) To make the best use of human resources by taking an active and planned approach to meet the Council's responsibility to its staff, we will:

- Develop and maintain a clear policy on the means for consulting and involving staff and their representatives in decision-making