

Meeting: Haringey Strategic Partnership

Date: 23 June 2008

Report Title: Haringey Strategic Partnership Corporate Code of Governance

Report of: The Monitoring Officer and Head of Legal Service
Assistant Chief Executive – Policy, Partnerships, Performance & Communication

Summary

1.1 To inform the Haringey Strategic Partnership about the background to the Code of Corporate Governance and to obtain the HSP's approval of the Code.

2. Recommendations

- i. That the HSP approves the draft Haringey Strategic Partnership Code of Corporate Governance attached as **Appendix 1** to the report.
- ii. That the HSP approve the measures to publicise the Code after its adoption proposed in paragraph 4.5 of this report.
- iii. That the HSP note the Action Plan for the draft HSP Code of Corporate Governance attached at **Appendix 2** to the report which sets out what actions are being taken to ensure compliance with the code and assist with monitoring and overview of compliance.
- iv. That the HSP approves the Action Plan for the draft HSP Code of Corporate Governance attached at **Appendix 2** being the 'Annual Governance Statement' for the Strategic Partnership as it sets out the process for reviewing the HSP's governance arrangements and compliance against the key principles in Code. An Annual report will be presented to the HSP on the effectiveness of HSP governance arrangements in practice, required actions and any revisions on the Code which needed to be reported to stakeholders.
- v. That the HSP agrees to a review of the Terms of Reference for the HSP Board & Theme Boards and HSP PMG to ensure compliance and consistency with the HSP Code of Governance (**Appendix 1**) and supporting action plan (**Appendix 2**). Partner agencies would be

consulted as required before revised Terms of Reference were presented back to the next meeting of the HSP PMG and then HSP Board for formal agreement.

- vi. That each Partner Agency nominates a lead officer from within their organisation to be the lead contact on HSP Governance issues. These representatives will have responsibility for overseeing the implementation of the new Code of Corporate Governance for the Haringey Strategic Partnership and the processes needed to monitor its effectiveness in practice would be appointed.

Financial/Legal Comments:

None

For more information contact:

Contact Officer: Yuniea Semambo,
Title: Head of Local Democracy & Member Service
Email: Yuniea.semambo@haringey.gov.uk
Tel: 020 8489 2623

Name: Terence Mitchison,
Title: Senior Project Lawyer Corporate
Tel: 020 8489-5936
Email address Terence.mitchison@haringey.gov.uk

3. Background

- 3.1 The CAA Key Lines of Enquiry published in early May 2008 set out the need for a Code of Corporate Governance as part of the Haringey Strategic Partnership's "governance framework". Attached at **Appendix 2** is an Action Plan which includes as a major issue the approval and adoption of Haringey Strategic Partnership's own Code of Corporate Governance by the HSP Board by July 2008.
- 3.2 However, the issue around the adoption of a Code of Corporate Governance for the Haringey Strategic Partnership goes beyond the CAA KLOE process because the Code will be an important tool in demonstrating and maintaining effective corporate governance across the Haringey Strategic Partnership Board and its Theme Boards.
- 3.3 The Code of Corporate Governance has its origins in the third report of the "Nolan Committee" on standards in public life back in 1997. This third report into standards in Local Government resulted in the statutory Members' Code of Conduct and supervision by the Standards Board for England and local Standards Committees.
- 3.4 The importance of embedding a "governance framework" in each Public Body and Strategic Partnership was recognised and taken forward by CIPFA (the Chartered Institute of Public Finance and Accountancy) and

SOLACE (the Society of Local Authority Chief Executives and Senior Managers). In 2001 these bodies published a Guidance Note entitled “Corporate Governance in Local Government – A Keystone for Community Governance”. This encouraged all Public Bodies to adopt their own Codes of Corporate Governance. The concept was that each Public Body would review its existing governance arrangements against the key principles in the Guidance and report annually on their effectiveness in practice.

3.5 The Guidance Note was updated in 2006 in a revised version entitled “Delivering Good Governance in Local Government”. The revisions took into account areas that merited greater emphasis notably on Standards & Ethics, Audit & Risk Management, Partnership arrangements, and the relationship of the governance framework with the statutory Statement on Internal Control and the “Good Governance Standard” recommended by the Independent Commission on Good Governance in Public Services.

3.6 The revised Guidance defines good governance by reference to 6 core principles:

- (i) Focussing on the purpose of the Haringey Strategic Partnership and on outcomes for the community and implementing a vision for the local area,
- (ii) Haringey Strategic Partnership Members and officers working together to achieve a common purpose with clearly defined functions and roles,
- (iii) Promoting the values of the Haringey Strategic Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour,
- (iv) Taking informed and transparent decisions which are subject to effective scrutiny and risk management,
- (v) Developing the capacity and capability of Haringey Strategic Partnership Members and officers to be effective, and
- (vi) Engaging with local people and other stakeholders to ensure robust public accountability.

3.7 The Guidance referred to in Para 3.5 contains a template for public bodies seeking to produce their own Code of Corporate Governance. It starts with the 6 core principles above and develops them through a number of supporting principles that illustrate the application of the core principles in practice. Beneath the supporting principles are a range of practical actions/arrangements that each public body should already have in place. While there may be some scope for local interpretation, use of this template will help ensure that Haringey Strategic Partnership include all the essential points.

4. Haringey Strategic Partnership draft Code of Corporate Governance

- 4.1 **Appendix 1** to this report is a draft Code of Corporate Governance for the Haringey Strategic Partnership which follows the CIPFA/SOLACE template. This report is intended to explain the need for a Code of Corporate Governance for the Haringey Strategic Partnership and to seek the HSP' s approval at its AGM on 3rd July 2008 for formal adoption.
- 4.2 It is suggested in the Guidance that public bodies should nominate a Lead Officer with the knowledge and experience to oversee the implementation of the new Code of Corporate Governance for the Haringey Strategic Partnership and the processes needed to monitor its effectiveness in practice. This role would be suitable for the Monitoring Officer/Head of Legal Services (though this is not prescriptive) but there would need to be support from representatives from across the Council and HSP.
- 4.3 The Lead Officer will be responsible for reviewing the operation of the Code of Corporate Governance on an annual basis. The Lead Officer will report at the end of each municipal year to both the HSP PMG and the HSP on compliance with the Code and any changes that appear desirable. There will also be regular reports to the HSP PMG on these matters as required.
- 4.4 The terms of reference for the HSP Board, Theme Boards and HSP PMG would also need to be reviewed to ensure compliance with the Code as part of its implementation. Supporting report writing guidance would also be reviewed and relevant partner agencies consulted as appropriate. Both have been listed as tasks in the Code of Governance action plan at **Appendix 2**.
- 4.5 If the Code of Corporate Governance for the HSP is to be effective, it will be necessary for each Theme Board and all senior managers at first and second tier levels from participating partner agencies to accept responsibility for publicising and implementing the Code in their respective agencies and for monitoring compliance. All Partner Agencies and Theme Boards would be expected to contribute appropriate information and recommendations for the annual reports to HSP Members.
- 4.6 Following adoption of the Code of Corporate Governance for the HSP, it would assist "buy in" if there was publicity to all participating HSP Partner Agencies to raise the profile of the Code with officers and Members. This could be achieved through briefings, publicity on HSP Web site pages and the inclusion of reference to the Haringey Strategic Partnership Code in relevant training material. It is also proposed that Partner Agencies post the links to the Code on their web and intranet sites as appropriate.
- 4.6 The adoption of a Code of Corporate Governance would confirm the Haringey Strategic Partnership's commitment to achieving high standards of corporate governance and would assist the HSP's leadership and delivery of outcomes for Haringey Communities. Although the Guidance behind the Code is not specifically intended for the purposes of CAA assessment, the adoption of a Code would also be a significant advantage in connection with the Use of Resources Key Lines of Enquiry on corporate governance arrangements for the HSP and its Theme Boards.

5. Process for Consultation before Adoption

- 5.1 The adoption of a Code of Corporate Governance is not an express statutory function and there is no legal requirement for the formal decision to be taken either by the HSP PMG or the HSP Board. The PMG approved the Code of Corporate Governance at its meeting on 23rd June 2008. The final adoption to be agreed by the HSP Board on 3rd July 2008.
- 5.2 The draft Code also makes reference to the distinct role of the HSP PMG in having overview of governance issues for the HSP Board and its Theme Boards. This has been incorporated into **Appendix 1** to this report at subparagraphs (f), (h) and (i) on pages 2 and 3 under the heading "Introduction and Background". The Terms of Reference for the HSP PMG will need to be reviewed to ensure this responsibility is clearly reflected.

6. Recommendations

- 6.1 That the HSP approves the draft Code of Corporate Governance for the Haringey Strategic Partnership attached as the **Appendix 1** to the report..
- 6.2 That HSP members approve the measures proposed in paragraph 4.5 of this report to publicise the Code after its adoption.
- 6.3 That HSP members note the Action Plan for the draft HSP Code of Corporate Governance attached at **Appendix 2** to the report which sets out what actions are being taken to ensure compliance with the code and assist with monitoring and overview. An Annual report would be presented to the HSP for sign-off each year on the effectiveness of HSP governance arrangements in practice, required actions and any revisions on the Code which needed to be reported to stakeholders.
- 6.5 That HSP Members agree to a review of the Terms of Reference for the HSP Board & Theme Boards and HSP PMG to ensure compliance and consistency with the HSP Code of Governance (**Appendix 1**) and supporting action plan (**Appendix 2**). Partner agencies would be consulted as required before revised Terms of Reference were presented back to the next meeting of the HSP PMG and then HSP Board for formal agreement.
- 6.6 That each Partner Agency nominates a lead officer from within their organisation to be the lead contact on HSP Governance issues. These representatives will have responsibility for overseeing the implementation of the new Code of Corporate Governance for the Haringey Strategic Partnership and the processes needed to monitor its effectiveness in practice would be appointed.

7. Financial Comments

- 7.1 There are no specific financial implications

8. Legal Comments

- 8.1 The legal and constitutional implications are set out in the body of the report.

9. Use of Appendices / Tables / Photographs

- 9.1 **Appendix 1** to this report is the draft Code of Corporate of Governance proposed for adoption by the Haringey Strategic Partnership
- 9.2 **Appendix 2** to this report is the Action Plan setting out the implementation of the draft Code of Governance for the Haringey Strategic Partnership to ensure compliance and assist with monitoring and overview.