Harlow Council Code of Corporate Governance

August 2020

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What do we mean by Governance

Governance is about how Harlow Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. In time of national emergency, maintaining good robust governance arrangements is very important.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Harlow Council (the Council) is committed to effective leadership, which is the foundation for effective corporate governance. The Council commits itself to:

- Providing a vision for the local community and leading by example in decision making and other processes and actions.
- Councillors and Officers conducting themselves in accordance with the highest standards of conduct.

Core Principles of Good Governance

There are seven core principles of corporate governance as identified by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE) (2016).

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

B. Ensuring openness and comprehensive stakeholder engagement

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

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

F. Managing risks and performance through robust internal control and strong public financial management

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

Key roles of the Council

The Council has three main roles to play:

- **Community leader**; representing the interests of Harlow and its community, and holding others impacting on the town to account. Working with the community to agree and achieve shared objectives and ambitions, to ensure that Harlow keeps evolving as a community and as a place.

- **Service provider**; meeting the statutory duties placed upon it by Parliament to protect people, to exercise regulatory functions and to provide discretionary services where it is best placed to do so.

- **Commissioner** of services, where such services can best be provided by others.

The Council is committed to doing as much as it can within the financial realities it has to face to make Harlow an even better and more enjoyable place to live, work and visit. This has been made more challenging during the Covid-19 lockdown and recovery phases. It cannot do it all by itself and it will continue to work with the community and its partners to make the biggest impact it can for Harlow. As the Council's strapline for its logo states we are: Working Together for Harlow.

In these tough times and beyond we must ensure that Harlow receives the recognition it deserves, and that we invest in our high priorities whilst reducing expenditure and activity in low priorities; retaining robust governance arrangements at all times.

The Council is accountable to its tax payers for its stewardship and use of resources and seeks to:

- Provide excellent value for money

- Make the best use of resources available to it

- Protect the interests of local people.

Harlow Council is committed to working with others to build a strong sense of community and to encourage individual citizens to play a full and constructive part in the lives and development of their communities. The Council is democratically accountable to its citizens.

Monitoring and Maintaining the Code

Harlow Council is committed to the principles of good governance identified in the CIPFA/SOLACE guidance and confirms its on-going commitment and intentions through the development, adoption, monitoring and maintenance of the Local Code of Corporate Governance (the Code). The Council recognises that achieving high standards of corporate governance will encourage our stakeholders to have confidence in us and allow the Council to undertake its role as community leader more effectively.

Monitoring the Code

Local Authorities should test their governance structures and partnerships against the principles contained in the Framework by:
- reviewing existing governance arrangements
- developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness
- Reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

An Annual Governance Statement is made by the Leader of the Council and the Chief Executive giving an opinion on whether the corporate governance arrangements are adequate and are operating effectively.

The Corporate Governance Group which comprises of the Monitoring Officer, the Section 151 Officer, the Relationship and Commissioning Manager, the Internal Audit Manager, the Insurance and Risk Manager, the Legal Services Manager and other officers when they have specific contributions to make have been given the responsibility for:

- Overseeing the implementation and monitoring of the Code

- Reviewing the operation of the Code in practice on an annual basis

- Reporting at least annually to the Council on the compliance with the Code and any changes that may be necessary to maintain and ensure its effectiveness in practice.

In addition, Internal Audit has been given the responsibility to review independently and to provide assurance within the annual report to the Audit and Standards Committee on the adequacy and effectiveness of governance arrangements.

The Annual Governance Statement will report on any aspects of the Code that are not yet in place and propose appropriate steps to address the areas to further enhance the corporate governance arrangements. This approach to annual reporting should ensure that the principles of corporate governance are embedded in the culture of the Council and are transparent to stakeholders and partners.

Maintaining the Code

The Head of Governance will be responsible for updating the Code and for ensuring on going relevance and application of the Code. The Council (via the Audit and Standards Committee) will discuss any significant revisions to the Code before its approval. Any significant changes will be reported to stakeholders and partners.

Applying the Seven Core Principles

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
Supporting Principle	*The Council does this by:*	*Supporting documentation and evidence of compliance*
A1	Behaving with integrity	• Having in place an agreed and regularly reviewed Code of Conduct for members and staff, which build on the Seven Principles of Public Life (the Nolan Principles) and are part of the Constitution. • Programme of Member training on the Code • Having in place well-structured and transparent decision making processes and delegation arrangements • Corporate Governance Group (CGG) meeting on a monthly basis to consider governance and integrity issues • Regularly review its policies to ensure that they remain effective and compliant. • Regular meetings of the Senior Management Board (SMB) and Cabinet Councillors (Cab) to ensure coherent political direction. • Established staff procedures through HR; annual Personal Performance Plans (PPPs) for all staff	The Corporate Plan. Annual report. Constitution. Cabinet and Committee reports and minutes circulated to staff and available on line for the public and staff to view. Induction and training programme for Members. Officer Code of Conduct. Councillors' Code of Conduct. Contracts Register. Anti-Fraud and Corruption Strategy and Action Plan. Corporate Information Security and Computer Use policies. Social Media policy. Register of Interests and Register of Gifts and Hospitality for both Members and Staff. Personnel policies and training programme. Investors in People Internal Audit plan, annual report and review of effectiveness. CCG and SMB minutes.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
A2	Demonstrating strong commitment to ethical values	• Appointing Experienced Section 151 / Monitoring Officers with appropriate qualifications and seniority within the Council to promote ethical values • Council appointing an Audit and Standards Committee, and appointment of an independent Member onto the Committee • Established processes for quickly investigating complaint / ethical standards issues. • A supported, effective and regularly reviewed whistleblowing policy. • Promoting ethical values through standard contract documentation.	Constitution. Reporting of standards issues to the Audit and Standards Committee. Corporate Equalities Scheme. Whistleblowing Policy. Financial Regulations and Contract Standing Orders. Corporate Complaints procedure. Cabinet and Committee reports. Procurement Strategy.
A3	Respecting the Rule of Law	• A modern, up to date, Constitution approved by Full Council • Ensuring Councillors and Officers demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations. • Creating the conditions that the statutory Officer, other key post holders, and Councillors, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. • Ensuring all decision making reports containing relevant legal constraints. • Ensuring decisions are only taken after advice from appropriate officers. • Section 151 / Monitoring Officers are part of report clearing process. • Ensuring corruption and misuse of power are dealt with effectively.	Constitution. Financial Regulations and Contract Standing Orders. Cabinet and Committee reports. Anti-Fraud and Corruption Strategy and Action Plan – including Money Laundering and Terrorism Financing. Codes of Conduct. Declarations of Pecuniary Interests for Councillors publically accessible. Declarations of Gifts and Hospitality for Officers and Councillors publically accessible. Transparency agenda publications.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		
Supporting Principle	*The Council does this by:*	*Supporting documentation and evidence of compliance*
	• Dealing with any breaches of legal and regulatory provisions effectively.	

Core Principle B: Ensuring openness and comprehensive stakeholder engagement			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
B1	Openness	• Providing effective 'critical friend' challenge through the Council's scrutiny processes • Responding to FOI (Freedom of Information) and subject access requests in accordance with legal provision • Using open data standards in our on-line data sites including spend and contract information • Publishing on-line and properly documenting all decisions taken by the executive • Maintaining a list of decisions due to be taken by the Cabinet including transparency/ notice of those decisions to be taken in private session • Ensuring that emergency decisions made by the Head of the Paid Service follow constitutional arrangements • Webcasting of Council meetings • Maintaining an effective website • Making publicly available agenda of and clear minuting of all meetings	Corporate and Service Plans Communications protocol Constitution Scrutiny Committee reports to Council Customer care standards Website Corporate Equalities Scheme and Equality Impact Assessments Harlow Times magazine for residents Publication of agendas and minutes of meetings Annual Statement of Accounts Annual report Medium Term Financial Strategy Published Freedom of Information / Environmental Information scheme Cabinet workplan Staff training Publication Scheme

Core Principle B: Ensuring openness and comprehensive stakeholder engagement		
Supporting Principle	*The Council does this by:*	*Supporting documentation and evidence of compliance*
	in accordance with statutory regulations. • Adhering to the Transparency agenda	

B2	Engaging comprehensively with institutional stakeholders	• Developing formal partnerships / making arrangements where an effective business case can be demonstrated.
		• Ensuring that partnerships are based on:
		   o trust;
		   o a shared commitment to change;
		   o a culture that promotes and accepts challenge among partners;
		   o that the added value of partnership working is explicit.
		• Attending and participating in meetings with other local authorities under 'duty to cooperate'
		• Engaging with local organisations by Officer attendance / participation
		• Appointing Members to other community organisations that request it.
		• By monitoring and maintaining an effective record of the partnerships we participate in
		• By providing effective 'critical friend' challenge through the Council's scrutiny processes
		• Developing a new scrutiny/cabinet protocol in response to Government guidance
			Partnership protocol
			Various Service Level Agreements (SLAs)
			Cabinet reports
			Constitution
			Board arrangements for key partnerships including Harlow Trading Service, the Harlow and Gilston Garden Town and the Growth Board

B3	Engaging with individual citizens and service users	• Having a consultation policy and plans • Ensuring meaningful consultation takes place during key service	Harlow Times magazine for residents Council website Corporate complaints procedure

Core Principle B: Ensuring openness and comprehensive stakeholder engagement			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
	effectively	changes that involves communities, individual citizens, service users and other stakeholders to ensure that service provision is contributing to the intended outcomes • Ensuring statutory consultation processes are followed and consistently applied • Ensuring that communication methods are effective and that Councillors and Officers are clear about their roles in community engagement. • By having clear feedback mechanisms in order to demonstrate how views have been taken into account. • Using a combination of communication methods to engage with citizens • Having clear compliment and complaint procedures • Ensuring the Council and its Members take account of consultation in the context of its decision making and the financial impact on tax payers.	Residents' surveys Range of consultation outcomes including Local Plan, planning policy, leaseholders and tenant forums. Policy & Performance Team that provides advice on designing, running and analysing consultations and surveys.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
C1	Defining outcomes in terms of sustainable economic, social and environmental	• A Corporate Plan that has a clear vision of the economic, social and environment of the district, with supporting service plans • A developed Vision statement for the ongoing post-pandemic recovery	Corporate Plan and Service Plans Sustainability Strategy Carbon Management Plan Harlow Times magazine for residents

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
	benefits	of the town • Ongoing Local Plan that supports the Councils vision • Decision making takes account of these effects on its residents • Paying due regard to the Public Sector Equality Duty by ensuring the Council provides fair access to the services it provides. • Full engagement with the Safer Harlow Partnership • Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	Tenant and leaseholder forums Safer Harlow Partnership Emerging Local Plan People Resources Plan

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
D1	Determining interventions Planning interventions	• Decision making processes that receive objective and rigorous analysis including involvement of the Monitoring Officer and the Section 151 Officer • Processes that take account of service users when making decisions • Retaining control over preparation of strategic and operational plans • Developing a corporate approach to project management • Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Ensuring best value is achieved no matter how	Annual Report Quarterly and annual Joint Finance and Performance Reports Budget setting and approval process Annual Governance Statement Risk register Council website Corporate and Service Plans Cabinet and Committee agendas, reports and minutes People Resources Plan

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
		services are delivered. • A Corporate Plan with measurable objectives • Key Performance Indicators that are measurable / SMART and take account of Councils objectives • A robust budget preparation process that reflects the Council's objectives and the Medium Term Financial Strategy • Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. • Ensure capacity exists to generate the information required to review service quality regularly. • Considering and monitoring risks facing each partner when working collaboratively, including shared risks. • Ensuring the achievement of "social value" through service planning and commissioning	Procurement Strategy Slavery and Human Trafficking Statement

Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
E1	Developing the entity's capacity Developing the capability of the entity's leadership	• Members and staff have appropriate induction processes, access to personal development appropriate to their roles. • Staff have annual PPP's and access to arrangements to maintain their health and wellbeing.	People Resource Plan Corporate and Member training programme Member and Staff training records and development plans

Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
	and other individuals	- Statutory Officers having the qualifications, skills, resources and support necessary to perform effectively in their roles - The Leader/ Head of Paid Service / Heads of Service have clearly defined leadership roles - Job descriptions with candidate specifications, and using interviews and tests during the recruitment process to assess the ability of candidates to carry out the duties set out in the job description - That the Council operations, performance and use of its assets are reviewed regularly to ensure their effectiveness - Having an effective workforce plan to enhance resource allocation so that defined outcomes are achievable. - Having clear systems of decision making and publishing effective delegation schemes - Participate in partnerships where there is a sound business case that it will add value	Recruitment process Job description and person specifications Continuous Professional Development for professional Officers Constitution Reports to SMB, Cabinet and Committees

Core Principle F: Managing risks and performance through robust internal control and strong public financial management			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
F1	Managing risk Managing performance	- Ensuring risk management is an integral part of the Councils activities and decision making - Having robust and integrated risk management arrangements with	Constitution Risk Management Strategy Corporate Risk Register Regular risk management reports to Audit

Core Principle F: Managing risks and performance through robust internal control and strong public financial management			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
Robust internal control Managing data Strong public financial management		regular and dynamic consultation of risk by SMB and Heads of Service • Clear responsibilities for managing individual risks and a Risk plan that allocates responsibility against each risk • An effective Overview and Scrutiny function to provide constructive challenge on policy and performance • Councillors receiving regular reports on Service / Council delivery plans • Having Anti- Fraud and Corruption arrangements in place and a Whistleblowing policy • Having an effective Money Laundering and Terrorism Financing policy in place. • An effective Internal Audit function to provide independent assurance on governance, risk management and control that takes account of areas of risk including those associated with emergency response and recovery • An Audit and Standards Committee that is independent of Cabinet providing additional assurance within its power to ensure its recommendations are listened to and acted upon • Having effective arrangements in place for the safe management of data particularly Data Sharing with other bodies and a designated Data Protection Officer. • Effective financial management systems that include management of financial risks. • Making decision based on relevant clear objective analysis and advice pointing out the implications and risks inherent in the financial, social, environmental, legal position and outlook.	and Standards Committee Business Continuity Plans Data Sharing Agreements Internal Audit Plan, annual report and recommendations tracker Anti-Fraud and Corruption Strategy and Action Plan Whistleblowing Policy Cabinet and Committee report template External Audit reports Annual Governance Statement Reports to Council, Cabinet and Committees of the Council with implications provided that are clear and measured.

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability			
Supporting Principle		*The Council does this by:*	*Supporting documentation and evidence of compliance*
G1	Implementing good practice in transparency Implementing good practice in reporting Assurance and effective accountability Managing data.	• Having a defined process to ensure that reports for the public / stakeholders are fair, balanced and easy to access and understandable for the audience • Reporting regularly on performance, value for money and on the use of resources • Requiring Managers to produce annual assurance statements • Ensuring that Management and Members have clear lines of responsibility for the performance results • Preparing an Annual Governance Statement on the robustness of this framework • Having processes to ensure external / internal audit recommendations are acted upon / responded to by Managers and the Council • Having effective internal audit and annual audit programs that are accessible for Member scrutiny and tracked subsequently • Ensuring that arrangements are in place for confidential reporting or 'whistleblowing' which are published to staff • The Scrutiny Committee undertaking constructive challenge • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	Constitution Agenda and minutes of Cabinet and Committee meetings Transparency Code Data Sharing Agreements Internal Audit Plan, annual report and recommendations tracker Anti-Fraud and Corruption Strategy and Action Plan Whistleblowing Policy Agenda and minutes of Scrutiny Committee Annual work programme of Scrutiny Committee External Audit reports Annual Governance Statement