

HERTFORDSHIRE COUNTY COUNCIL

2017/18 CODE OF CORPORATE GOVERNANCE

July 2017

INTRODUCTION

Hertfordshire County Council is committed to demonstrating the highest standards of Corporate Governance. Good governance leads to good management, good performance, effective use of resources, good public involvement and ultimately good outcomes.

The Council's Code of Corporate Governance ("the Code") comprises a range of documents, policies, procedures, cultures and values and is the system through which the business of the Council is directed and controlled. The Code underpins the aim of achieving good governance.

CORPORATE GOVERNANCE FRAMEWORK

The corporate governance framework of Hertfordshire County Council is consistent with the principles of the CIPFA/SOLACE best practice framework *Delivering Good Governance in Local Government 2016*. The following **seven core governance principles** ensure that we have high standards of good governance.

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

This document describes how the Council demonstrates its commitment to these core principles and indicates where more information can be obtained. The Code is reviewed annually to ensure that the Council is complying with the Code and to identify any areas where the governance arrangements can be improved

CODE OF GOVERNANCE PRINCIPLE A

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

This core principle is supported by three supporting principles:

- Behaving with integrity.
- Demonstrating strong commitment to ethical values
- Respecting the rule of the law.

What The Council Does	How it Demonstrates This
Ensures that the Council's leadership sets and reinforces the tone of the organisation by creating a climate of openness, support and respect;	<ul style="list-style-type: none"> • Protocol for Relationships between Members and Officers – Annex 16 to the Constitution • Member Code of Conduct • Code of Conduct for Officers
Defines the personal behaviour expected of elected Members and Officers;	<ul style="list-style-type: none"> • Member Code of Conduct • Code of Conduct for Officers • Anti-bribery policy
Puts in place arrangements to ensure that conflicts of interest are declared and if necessary the Member / Officer does not participate in decision-making;	<ul style="list-style-type: none"> • Member Code of Conduct • Code of Conduct for Officers • Register of Members' Disclosable Pecuniary Interests and personal interests as set out in the Code of Conduct for Members – Available on each Member's contact page. • Register of officer interests in contracts
Develops and maintain shared values including values for both the organisation and Officers and communicate these with Members, Officers, the community and partners;	<ul style="list-style-type: none"> • Values and Behaviours
Use the Council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority	<ul style="list-style-type: none"> • Values and Behaviours
Maintains an effective Standards Committee.	<ul style="list-style-type: none"> • Standards Committee Terms of Reference – Annex 3 of the Constitution
Has in place effective systems to enable staff and others to identify any potential wrong doing and to protect staff should they raise areas of concern	<ul style="list-style-type: none"> • Whistleblowing policy

<p>Ensure that professional advice on matters that have legal or financial implications is available in advance of decision making</p>	<ul style="list-style-type: none"> • Senior lawyers and senior finance offices review reports going to member decision making meetings • Lead officers for projects have responsibility to engage with legal services and finance to ensure that legal and finance advice is secured for their projects
<p>Ensure that all officers are appropriately trained on specific legislative and other requirements for their service areas and also on the key principles of administrative law</p>	<ul style="list-style-type: none"> • PMDS • Training and development programme

CODE OF GOVERNANCE PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

This core principle is supported by three supporting principles:

- Openness.
- Engaging comprehensively with institutional stakeholders.
- Engaging with individual citizens and service users effectively.

What The Council Does	How it Demonstrates This
Encourage all sections of the community and other stakeholders to participate in our work through public consultation;	<ul style="list-style-type: none">• Herts Horizons• The Council's website• Constitution• Petitions Scheme• Citizens Panel
Produce an annual report on the activities of scrutiny committees;	<ul style="list-style-type: none">• Overview and Scrutiny Annual Report
Hold meetings in public unless there is to be discussion of matters of a confidential nature;	<ul style="list-style-type: none">• Council, Cabinet, Cabinet Panel, Committee and Scrutiny meetings are all held in public unless considering exempt information as certified by the Monitoring Officer.
Make all information publicly available unless it is exempt by law;	<ul style="list-style-type: none">• Open Public Data• Constitution• Freedom of Information (FOI)• Environmental Information Regulations (EIR)
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 these operate effectively	<ul style="list-style-type: none">• Herts Horizons• Forward Plan of Key Decisions• Consultation on major policy developments• Annual Report• Residents' Tracker Survey (Citizens' Panel)• Petitions Scheme• Public questions at Council meetings• Annual Report• Freedom of Information (FOI)• Environmental Information Regulations (EIR)• Whistleblowing Policy

Ensure that Officers are regularly consulted and invite comments from Officers on a wide range of issues.	<ul style="list-style-type: none"> • Annual Staff Survey • Consultation with Recognised Trade Unions
<p align="center">CODE OF GOVERNANCE PRINCIPLE C</p> <p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p> <p>This core principle is supported by two supporting principles:</p> <ul style="list-style-type: none"> • Defining outcomes. • Sustainable economic, social and environmental benefits 	
What The Council Does	How it Demonstrates This
Define and promote its purpose and vision;	<ul style="list-style-type: none"> • Hertfordshire Corporate Plan 2013-17
Review annually its purpose and vision to reflect its financial position and other major policy changes;	<ul style="list-style-type: none"> • Integrated Planning Process • Review of Corporate Plan
Work with its partners on an agreed common vision for all its partners;	<ul style="list-style-type: none"> • Local Strategic Partnership • Herts Forward • Local Enterprise Partnership • Health and Well Being Board
Communicate on a regular basis the Council's key performance data, achievements and financial position;	<ul style="list-style-type: none"> • Annual Report • Quarterly Finance and Performance Reports • Resources, Property and the Economy Cabinet Panel and Cabinet • Public Health, Prevention and Performance Cabinet Panel • Annual Audit Letter • Council Tax Information Sheet and on-line Council Tax Leaflet
Ensure that each service area reviews on a regular basis its objectives and priorities;	<ul style="list-style-type: none"> • Departmental Service Plans – link to objectives in the Corporate Plan
Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> • Complaints procedures • Overview and Scrutiny Committee / Topic Groups • Whistle blowing policy/ Reporting Fraud and Corruption
Use national benchmarking of value for money and needs based evidence to regularly review and shape corporate	<ul style="list-style-type: none"> • Integrated Planning Process

priorities and supporting financial plans effectively; and	
Address the environmental impact of its policies, plans and decisions.	<ul style="list-style-type: none"> • Energy reduction targets for the authority
<p style="text-align: center;">CODE OF GOVERNANCE PRINCIPLE D</p> <p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>This core principle is supported by three supporting principles:</p> <ul style="list-style-type: none"> • Determining interventions. • Planning interventions • Optimising achievements of intended outcomes 	
What The Council Does	How it Demonstrates This
Define and promote its purpose and vision;	<ul style="list-style-type: none"> • Hertfordshire Corporate Plan 2013-17
Review annually its purpose and vision to reflect its financial position and other major policy changes;	<ul style="list-style-type: none"> • Integrated Planning Process • Review of Corporate Plan
Communicate on a regular basis the Council's key performance data, achievements and financial position;	<ul style="list-style-type: none"> • Annual Report • Quarterly Finance and Performance Reports • Resources, Property and the Economy Cabinet Panel and Cabinet • Public Health, Prevention and Performance Cabinet Panel • Annual Audit Letter • Council Tax Information Sheet and on-line Council Tax Leaflet
Ensure risk management process into all levels of the organisation;	<ul style="list-style-type: none"> • Risk Management Guide • Annual Report to Audit Committee • Risk Register
Ensure that each service area reviews on a regular basis its objectives and priorities;	<ul style="list-style-type: none"> • Departmental Service Plans – link to objectives in the Corporate Plan
Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> • Complaints procedures • Overview and Scrutiny Committee / Topic Groups • Whistle blowing policy/ Reporting Fraud and Corruption
Ensure resilience with regard to continuity of	<ul style="list-style-type: none"> • Corporate and departmental business continuity and disaster recovery plans

service in the event of unforeseen events.	and arrangements
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CODE OF GOVERNANCE PRINCIPLE E

Developing the County Council's capacity, including the capability of its leadership and the individuals within it

This core principle is supported by two supporting principles:

- Developing the County Council's capacity.
- Developing the capability of the County Council's leadership and other individuals.

What The Council Does	How it Demonstrates This
Set out in clear terms how the respective roles and responsibilities of the Executive and of the Executive Members are allocated between the Leader, Cabinet and Council Officers;	<ul style="list-style-type: none"> • The Constitution • Protocol for Relationships between Members and Officers – Annex 16 to the Constitution • Scheme of Delegation to Officers– Part 3 of Annex 3 to the Constitution
Set out in clear terms the general responsibilities of elected Members and senior Officers and how they perform non-executive functions such as development control;	<ul style="list-style-type: none"> • Constitution • Code of Practice for Councillors and Officers Involved in the Planning Process– Annex 21 to the Constitution • Forward Plan of Key Decisions
Set out how decisions are made and which decisions are reserved to the Full Council. Determine a scheme of delegation to Chief Officers, including those decisions which are not included in their delegated powers and are reserved to Council or Cabinet	<ul style="list-style-type: none"> • Constitution • Scheme of Delegation to Officers – Part 3 of Annex 3 to the Constitution •
Make the Chief Executive responsible and accountable for all aspects of operational management;	<ul style="list-style-type: none"> • Head of Paid Service – Section 9 of the Constitution • Fortnightly meetings with the Leader or Deputy Leader
Make the -Director of Resources (as section 151 officer) responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control;	<ul style="list-style-type: none"> • Section 151 Officer responsibilities – Section 9 of the Constitution
Make the Chief Legal Officer (as Monitoring Officer) responsible for the Council Constitution and for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	<ul style="list-style-type: none"> • Monitoring Officer responsibilities – Section 9 of the Constitution

Adopt a protocol for relationships between Members and Officers which ensures proper and effective relationships;	<ul style="list-style-type: none"> • Protocol for Relationships between Members and Officers – Annex 16 to the Constitution • Staff induction • Member Code of Conduct • Code of Conduct for Officers • Political awareness training programme
Set out the terms and conditions for the remuneration of Members and Officers;	<ul style="list-style-type: none"> • Constitution • Members' allowances scheme • Pay Policy Statement • Pay Practice Guide
Ensure that service delivery is effectively monitored;	<ul style="list-style-type: none"> • Regular reports to Resources, Property and the Economy Cabinet Panel, Public Health, Prevention and Performance Cabinet Panel and Service Cabinet Panels
Consult widely on its vision, strategic plans and priorities and take into account the views of the local community and key stakeholders;	<ul style="list-style-type: none"> • Budget consultation • Consultation on major policy developments • Citizens' Panel
Ensure that when working in partnership that elected Members are clear about their legal responsibilities and liabilities; and	<ul style="list-style-type: none"> • Advice given to Members
Ensure that where it enters into a partnership there is a written agreement between the parties clearly setting out the roles and responsibilities, including responsibilities for staffing and funding.	<ul style="list-style-type: none"> • Chief Officer / Chief Legal Officer support to partnership arrangements
Provide induction programmes for Members and Officers;	<ul style="list-style-type: none"> • Members' Development Programme • Members' Online Learning • Staff induction
Ensure statutory officers have the resources and support to effectively perform their roles;	<ul style="list-style-type: none"> • Section 151 Officer – Section 9 of the Constitution • Monitoring Officer – Section 9 of the Constitution
Assess the learning and development needs of Officers and Members and make a commitment to meet those needs and develop required skills;	<ul style="list-style-type: none"> • Performance Management and Development Scheme • Members' Development Programme • Members' Online Learning
Identify leaders of the future;	<ul style="list-style-type: none"> • Leadership and Management Development • Deputy Executive Members

Provide support for Members and Officers who are Directors of Council companies;	<ul style="list-style-type: none">• Training and advice given as required/necessary
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CODE OF GOVERNANCE PRINCIPLE F

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

This core principle is supported by five supporting principles:

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

What The Council Does	How it Demonstrates This
Maintain an effective scrutiny function which is aimed at improvement and service delivery;	<ul style="list-style-type: none">• Constitution• Overview and Scrutiny Committee, Health Scrutiny Committee and Topic Groups
Maintain effective arrangements for recording decisions;	<ul style="list-style-type: none">• Forward Plan of Key Decisions• Record of Key Decisions• Minutes of Council, Cabinet, Cabinet Panel and Committee meetings• Scheme of Delegation to Officers – Part 3 of Annex 3 to the Constitution
Put in place arrangements to ensure that decisions are not affected by conflict of interest;	<ul style="list-style-type: none">• Member and Officer Codes of Conduct
Maintain an effective Audit Committee that is independent of executive and scrutiny functions	<ul style="list-style-type: none">• Audit Committee Terms of Reference – Paragraph 2.5 of Annex 3 to the Constitution
Ensure that an effective and accessible complaints procedure is in place;	<ul style="list-style-type: none">• Complaints procedures• Management of Unreasonable Complainant Behaviour Policy• Whistle blowing policy / Reporting fraud and corruption
Ensure that those involved in making decisions are provided with all relevant advice and implications	<ul style="list-style-type: none">• Section 151 Officer advice – Section 9 of the Constitution• Monitoring Officer advice – Section 9 of the Constitution

Ensure risk management process into all levels of the organisation;	<ul style="list-style-type: none"> • Risk Management Guide • Annual Report to Audit Committee • Risk Register
Ensure that whistle blowing arrangements are in place for all employees and those contracting with the authority; and	<ul style="list-style-type: none"> • Whistle blowing policy / Reporting fraud and corruption
Maintain an effective process for reviewing the requirements of the law, the legality of transaction, decisions and the impact of new laws.	<ul style="list-style-type: none"> • Constitution • Monitoring Officer's responsibilities – Section 9 of the Constitution

CODE OF GOVERNANCE PRINCIPLE G

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

This core principle is supported by three supporting principles:

- Implementing good practice in transparency.
- Implementing good practices in reporting.
- Assurance and effective accountability.

What The Council Does	How it Demonstrates This
Maintain an effective scrutiny function which is aimed at improvement and service delivery;	<ul style="list-style-type: none"> • Constitution • Overview and Scrutiny Committee, Health Scrutiny Committee and Topic Groups
Maintain an effective Audit Committee that is independent of executive and scrutiny functions	<ul style="list-style-type: none"> • Audit Committee Terms of Reference – Paragraph 2.5 of Annex 3 to the Constitution
Has a robust approach to the provision of Internal and External Audit	<ul style="list-style-type: none"> • Has a dedicated Audit Committee that Approves the Authority's Internal and External Audit Plans • Progress on Audit Recommendations are presented to the Audit Committee • The work of the Internal Audit Service is independently assessed as complying with the Public Sector Internal Audit Standards
Make all information publicly available unless it is exempt by law;	<ul style="list-style-type: none"> • Open Public Data • Constitution
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 these operate effectively	<ul style="list-style-type: none"> • Herts Horizons • Freedom of Information (FOI) • Environmental Information Regulations (EIR) • Forward Plan of Key Decisions • Consultation on major policy developments • Annual Report • Residents' Tracker Survey (Citizens' Panel) • Petitions Scheme • Public questions at Council and Panel meetings • Whistleblowing Procedure

Ensure that Officers are regularly consulted and invite comments from Officers on a wide range of issues.	<ul style="list-style-type: none"> • Annual Staff Survey • Employee Representatives • Consultation with Recognised Trade Unions
Hold meetings in public unless there is to be discussion of matters of a confidential nature	<ul style="list-style-type: none"> • Council, Cabinet, Cabinet Panel, Committee and Scrutiny meetings are all held in public unless considering exempt information as certified by the Monitoring Officer.
Communicate on a regular basis the Council's key performance data, achievements and financial position;	<ul style="list-style-type: none"> • Annual Report • Quarterly Finance and Performance Reports • Resources, Property and the Economy Cabinet Panel and Cabinet • Public Health, Prevention and Performance Cabinet Panel • Annual Audit Letter • Council Tax Information Sheet and on-line Council Tax Leaflet
Set out how decisions are made and which decisions are reserved to the Full Council. Determine a scheme of delegation to Chief Officers, including those decisions which are not included in their delegated powers and are reserved to Council or Cabinet	<ul style="list-style-type: none"> • Constitution • Scheme of Delegation to Officers – Part 3 of Annex 3 to the Constitution • Forward Plan of Key Decisions
Make the Director of Resources (as section 151 officer) responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control;	<ul style="list-style-type: none"> • Section 151 Officer responsibilities – Section 9 of the Constitution