

## **Code of Governance - London Borough of Havering** (Updated February 2020)

### **The governance framework**

The key elements of the systems and processes that comprise the Council's governance arrangements are described in more detail below.

### **Our Vision for the Borough 2019/20 is focused around four cross-cutting priorities; Communities, Places, Opportunities and Connections**

•**Communities** - We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities look after themselves and each other, with particular emphasis on our most vulnerable residents.

•**Places** - We will work to achieve a clean, safe environment for all. This will be secured through working with residents to improve our award-winning parks and continuing to invest in our housing stock, ensuring decent, safe and high standard properties. Our residents will have access to vibrant culture and leisure facilities, as well as thriving town centres.

•**Opportunities** - We will provide first-class business opportunities by supporting the commercial development of companies within the borough. We will ensure sustainable economic growth that generates local wealth and opportunities, as well as securing investment in high-quality skills and careers.

•**Connections** - We want to capitalise on our location with fast and accessible transport links both to central London and within the borough. Likewise, we will continue to make Havering a digitally-enabled borough that is connected to residents and businesses. Enhancing our connections will strengthen the borough's offer as a Greater London hub for business.

### **Codes of Conduct**

The Council has Employee and Member Codes of Conduct supported by the requirement to make declarations of interest and to declare gifts and hospitality. Interests must be declared by officers above a certain grade or who hold specific decision making and procurement positions.

### **Officers**

All officers, regardless of their employment status, are required to adhere to the Code of Conduct and to decline gifts and hospitality to ensure that they are not inappropriately influenced.

The Code and related policies and procedures are communicated via induction sessions and are available via the intranet. The Employee Code of Conduct was updated and re-launched in 2014/15 to ensure that there is awareness of all requirements and of responsibilities

## **Elected Members**

Members are required to register any interests that relate to their public duties and to take steps to resolve any conflicts of interest that arise, including registering and declaring interests or gifts and hospitality accepted in accordance with the Council's agreed procedures.

The Council's Constitution also sets out the arrangements for dealing with allegations that a Member or a Co-opted Member of the London Borough of Havering has failed to comply with the Members' Code of Conduct.

The Member Code of Conduct was reviewed by the Governance Committee in August 2017 and amended by Full Council in 2017. The relevant SLT member is tasked with ensuring that appropriate arrangements are in place for declarations and the systems are reviewed periodically by internal audit.

## **Havering's Corporate Performance Framework**

Whilst there is no statutory requirement to have a Corporate Plan, Havering like other councils has continued to produce one and maintained silo service plans up to 2017/18. In 2018/19 the Council announced its intention to move towards a new approach to service planning. This has seen the Council move away from the traditional approach of having individual silo service plans sitting beneath the Corporate Plan and has adopted an innovative cross-cutting thematic delivery approach to its strategic priorities and associated corporate objectives. This saw the first Thematic Corporate Plan agreed in 2019/20 along-side the Budget.

This new approach reflects the increasingly co-dependent nature of public services, which means that many of the Council's strategic priorities and outcomes cannot be achieved by any individual service acting alone. Havering believes this approach is necessary to help Havering to be an even greater place to live, invest in, be part of and are proud of. The Corporate Plan has at its heart a simple high level vision "*Cleaner, Safer, Prouder, Together*".

The Thematic Corporate Plan is fundamental in helping both the public understand the priorities, and staff in terms of what they need to do to accomplish delivering this over the next year and beyond. It helps by ensuring efforts are focused on the key actions that will make it a reality.

The Thematic Corporate Plan has four cross-cutting "Themes". These have a number of priority outcomes identified, that drive our activities and a measure to gauge our progress. The Four Themes and associated strategic outcomes are shown below:

### ***Communities – Giving a helping hand***

*Helping young and old fulfil their potential through high-achieving schools and by supporting people to live safe, healthy and independent lives. This will be achieved by*

- Giving children the best start in life and helping them achieve at school
- Focusing on identifying and meeting the needs of our most vulnerable residents

- Ensuring Havering residents are healthy and active
- Families and communities looking after themselves and each other

### ***Place- Havering is a great place to live***

*Making sure that our towns and neighbourhoods are great places to live by investing in them and keeping them clean, green and safe with access to quality parks and leisure facilities. This will be achieved by*

- Keeping Havering clean and safe
- An early years or school place is available to every child
- Havering has excellent leisure facilities and award winning parks
- Providing quality and genuinely affordable homes
- Strengthening the attractiveness of our town centres
- Improving our housing estates
- Delivering a green borough for future generations

### ***Opportunities – Making Life better***

*Doing what we can to make life as affordable as possible for residents. Supporting businesses to develop a thriving economy fit for the future. Helping people reach their full potential. This will be achieved by*

- Making life affordable
- Helping people succeed in life
- Helping our businesses grow

### ***Connections – Making life easier***

*Making it easy for people to get around and get online by investing in roads, transport links and faster internet. This will be achieved by*

- Making it easier to get around
- Improving roads and pavements
- Using technology to improve the way we live

Underpinning each of the four themes is a set of strategic outcomes and delivery statements that explain how each outcome will be achieved. Each of these has a number of success measures to enable progress to be gauged. Post the demise of the Statutory Best Value Indicator Set, it is increasingly difficult to bench-mark against others.

These Corporate Performance Success Measures offer a more outcome focused assessment of the Council's progress in delivering its key transformation plans and strategies. The new set includes both qualitative and quantitative measures as well as key milestones for major transformation programmes. This progress is considered quarterly by the Thematic Steering Groups Director Leads, before going on to the Senior Leadership Team and then to the Members Theme Board prior to Cabinet and finally Overview and scrutiny Board/sub committees.

The Project Management Office provides an independent overview of key programmes and projects, including a report of all related projects to the four Theme Steering Groups. The PMO administers i-Decision a tool that provides both good governance and an audit trail of all Key and Non-Key Executive Decisions.

Since 2018/19 the Overview and Scrutiny Board and its six sub-committees have also moved away from their traditional approach to performance monitoring, by agreeing their own, more operational set of performance indicators to monitor on a quarterly basis, rather than simply reviewing the relevant sections of the Corporate Performance Report, thus facilitating Member scrutiny of a broader range of indicators.

In terms of the wider “Golden Thread”, in addition to the arrangements described above, individual performance management takes place as part of supervision and the Performance Development Review (PDR) process for each member of staff.

Directorate Management Teams and Lead Members receive monthly performance packs analysing the position against the key performance measures in their respective service areas, outside of the Thematic Steering Group Meetings. Other key boards and partnerships (such as the Safeguarding Boards, Community Safety Partnership, Corporate Parenting Panel and Child Safety Performance Board) also receive regular performance packs specifically tailored to their remits. Regular data quality reports are also produced for services and data cleansing is carried out frequently in respect of key areas such as Adults’ and Children’s Social Care.

In March 2019, the Council had an LGA Corporate Peer Challenge and subsequently engaged Activist Group to undertake a Strategic Planning and Commission Project to develop a new strategic and financial planning framework that incorporates commissioning, policy-making, performance, data and intelligence and transformation and programme and project management. Ahead of this the Council has developed a new Corporate Policy Framework and library of its policies and strategies with a view to ensuring they complement the thematic approach and is reviewing its approach to Business Intelligence and evidence based decision making in light of this and its Transformation Agenda.

## **Financial Rules and Regulations**

The Council has Financial and Contract Procedure Rules, Policies and Guidance, along with other procedural documents. These guide officers in their everyday duties and ensure appropriate processes and controls are adhered to. The iProcurement system within Oracle as the Council’s main financial system makes use of authorisation limits which are built into the management hierarchies rather than being manually checked before transactions are processed, however this needs to be reviewed in systems that interface into Oracle.

Compliance with the various financial rules and regulations is monitored by management and considered during audits of systems and processes. Reports are available to managers through the One Oracle dashboards to enable monitoring and transparency of specific financial delegations.

In 2019/20 there will continue to be a series of reviews to look at the effectiveness of the Council's Financial and Contract Procedure Rules, Policies and Guidance to ensure they are streamlined as much as possible and support the decision making of the organisation as opposed to hinder and look at the compliance reporting against the control environment.

### **Effective Audit Committee**

The Audit Committee operates in accordance with the relevant CIPFA guidance. The Committee's terms of reference set out in the Constitution contain responsibilities relating to internal control, external audit and internal audit. Members are expected to serve a four year term on the Committee to ensure consistency; they also nominate named substitute members who receive the same level of induction and on-going training to ensure there is sufficient expertise at every meeting to challenge officers. During 2019/20 six members sat on the Audit Committee representing the Conservative, Residents', Upminster & Cranham Residents' and North Havering Residents' Groups of the Borough. The membership mirrors the political make-up of the Council. The Audit Committee met 4 times in 2019/20 and has an annual work plan made up of regular and specific agenda items.

### **Compliance with laws, regulations and internal policies**

The Constitution sets out the framework for decision making and the publication of those decisions. There is a scrutiny system in place to ensure that the work of the Council complies with all appropriate policies and achieves value for money. Overview and Scrutiny has the power to call in and challenge all decisions of Cabinet and individual Cabinet Members and key decisions of staff. Legal, finance and human resources staff, as well as the Corporate Diversity Advisor, review every Cabinet, Council and Committee report and every Cabinet Member decision for compliance with laws, policies and regulations. The statutory officers also provide advice to Members at all appropriate times. Internal policies and procedures exist to guide officers and ensure compliance with legislation and proper practice.

## **Counter Fraud and Confidential Reporting**

The Council has a corporate strategy for the prevention and detection of fraud and corruption, the shared Fraud Service has been in place since 1st April 2015. The work of the service and achievement of the corporate fraud strategy is monitored by the Audit Committee. Proactive promotion of the strategy takes place throughout the year as part of the fraud strategy action plan. Integral to these arrangements is a suite of policies and strategies including; Whistleblowing Policy, Bribery and Corruption, Money Laundering and an Anti-Fraud and Corruption Strategy.

The shared Fraud Service consists of Fraud Investigators that are fully trained and accredited to undertake their roles, Intelligence Officers and a Financial Investigator. The service can deliver a full range of fraud awareness training, the use of highly developed investigation skills, including responding to referrals and dealing with proactive initiatives on a rolling or ad-hoc basis, data-matching opportunities and partnership working with law enforcement agencies. The main aims of the team are as follows:

- Ensure ongoing effectiveness and resilience of counter fraud arrangements taking into account the needs and appetite of the different partner boroughs
- Deliver financial benefits in terms of cost savings or increased revenue to protect the public purse
- Create an Intelligence Hub to aid, filter and prioritise cases for investigation and analysis including a data matching central hub to aid investigation and add assurance to all partners
- Improve the reach into the areas of non-benefit and corporate fraud within the partner boroughs
- Create a recognised centre of excellence that is able to disseminate alerts and share best practice nationally

The Council take a zero tolerance approach to tenancy fraud, the Fraud Service will investigate all allegations of tenancy fraud and take action where we have sufficient evidence that fraud has taken place. This action can include a criminal prosecution and/or a claim for possession of the property through civil courts; we will always look to make a claim for any legal costs occurred, as well as any relevant compensation due. As part of the commitment to tackle Housing Fraud the team investigate unlawful subletting, Right to Buy fraud, succession fraud and all types of application fraud.

The Council's Whistle Blowing Procedure is intended to encourage and enable staff to raise serious concerns. Employees reporting concerns this way are afforded certain rights and protection under the Public Interest Disclosure Act 1998. All reports are dealt with in the strictest confidence, protecting the identity of the individual who has reported the concern and investigated fully.

## **Complaints**

The Council's Corporate Complaints Policy and procedure has been in place since 1<sup>st</sup> April 2015. The Policy sets out a clear definition of a complaint, and encompasses robust auditing and performance monitoring procedures. Appropriate procedures are also in place to ensure that statutory complaints relating to adults' and children's social care are dealt with in accordance with the relevant regulations. The procedures are supported by the relevant technologies to ensure efficiency and streamlined processes and include an escalation procedure if a complainant remains dissatisfied.

## **Ombudsman**

The Council comes within the jurisdiction of the Local Government and Social Care Ombudsman. In 2017/18, the Ombudsman found eleven cases of maladministration against the Council. Five cases were "maladministration & injustice without penalty" and six cases were "maladministration & injustice with penalty".

## **Training and Development**

The Council has a commitment that every member of staff has an ongoing Performance Development Review (PDR) throughout the year as well as formal timescales for agreeing targets and objectives and outcomes.

The Council's One Oracle and eLearning (Learning Pool) systems capture performance, development and training information within modules meaning that system generated management information is available for both strategic and operational management of resources and decision making. It also allows for senior management to ensure that there is compliance within the organisation with corporate policy in this area and efficiently provides assurance that mandatory training, required for officers to competently fulfil their roles, has been completed.

The Council's expectations and demands on managers are high; a behavioural competency framework is in place and annually all people resources are assessed against the competencies as part of the annual Performance Development Review which also rates progress towards objectives. This has been carried out offline during 2016/17 due to some issues with the PDR section on Oracle.

The Council has attained the Member Development Charter. A development programme to keep Members up to date with changes and support their individual training needs is provided, with training is tailored to individual roles. Training is supplemented by information through briefings and bulletins.

With the introduction of the Apprenticeship Levy the Council will be undertaking a skills analysis of the organisation to help and plan for the effective upskilling of employees as well as being clear about what skills are needed when recruiting apprentices, rather than providing generic business administration training for example

The Council is committed to inducting new employees effectively and provides induction guidance, which the Council are now exploring how to do this more digitally through the use of an E Learning platform. The Council also offers a face-to-face session for new

employees on a quarterly basis. The Council have also, reviewed its Induction intranet presence to ensure it is up to date and relevant, part of this a newly designed starter and leaver portal (online) has been launched to assist line managers more effectively. The Council has an agreed framework for managing people which articulates the Council's approach to leadership development, talent management and employee development, employee engagement, culture change and performance.

The Council is continually developing its e-learning delivery capacity and has developed compulsory modules in Codes of Conduct; Data Protection (GDPR); Declaration of Interest; Fraud Awareness; Information Security, Safeguarding and Whistle-blowing. The range of modules will expanded as required during 2018/19.

## **Communication and Engagement**

The Council strives to identify and develop new effective mechanisms to communicate and consult with the community. A wide number of fora take place to consult with members of the community, particularly targeting 'hard-to-reach' groups, such as the Over 50s forum, the BME (Black and Minority Ethnic) forum and the Inter Faith forum. The Council also has a small Community Development Team which focuses on community development but also supports and seeks to maximise engagement in key corporate consultation exercises.

The Council maintains a website [www.havering.gov.uk](http://www.havering.gov.uk) to provide information and services to the residents of the Borough. The publication '*Living in Havering*' is distributed to all households six times a year, promoting access to services and raising the profile of the work done by the Council and local people to make Havering a good place to live. This is augmented with regular emailed newsletters on a host of subjects as well as communication through other channels, from social media to the local press.

Consultation is carried out as part of the development of the MTFs and annual budget. Views are sought through various online and print communications, and the budget itself is subject to scrutiny through Cabinet and Overview and Scrutiny Committees.

The public are also consulted on the Council's future priorities. In 2018 the budget consultation asked residents about their priorities for the borough and the Council's intention to increase Council Tax including a precept for Adult Social Care.

## **Transformation**

A number of new programmes/projects have been initiated to deliver savings required to close the budget gap over the medium term. In many cases these comprise a change to the way services are delivered or reduction in grant funding. All activity and savings are the responsibility of the Director or Assistant Director of the relevant service area. A new project and programme management system was implemented in late 2016 to ensure transparency and a consistent approach to reporting activity. This delivers 1) visibility to the Senior Leadership Team (SLT) and the Cabinet, 2) enables interdependencies between projects to be managed; and 3) ensure slippage is identified at an early stage and mitigations effectively managed. Monthly oversight of the transformation programme takes place at the SLT Transformation Management Board meeting. SLT also monitors

the position on budgets and delivery of the MTFs to ensure any risks are identified early and mitigations put in place.

Budget development and challenge sessions are also to be held with Members to consider and plan for the Council's priorities. A series of new initiatives are also being evaluated to assess the benefits of new ways of working to support the financial position and promote a stable workforce.

## **Partnerships and Collaborative Working**

There are a number of partnership boards in place such as the Community Safety Partnership and the Health and Wellbeing Board. There are also a number of other fora in existence in Havering including the Cultural Change Group, a range of equality and diversity forums and many others. A range of self-facilitated staff forums have been set up during 2019/20 with the launch due at the end of February.

The Council has for a number of years worked closely with neighbouring boroughs to share good practice and efficiency success. In response to the reduced funding for local government this work has expanded to consider stronger relationships that will yield cost savings to all parties. These initiatives have in the past involved shared procurements, information technology developments and shared management posts eg Adopt London East.

## **oneSource**

In April 2014 the Council's shared back office service with the London Borough of Newham was launched. This arrangement is comprised of 22 services, 1350 staff and an agreed business case to save £40m over five years. This resulted in significant changes to the governance framework. A Joint Committee of six Members, three from each Council, was established to oversee the partnership arrangements and a shared management structure established with officers from each council having executive responsibilities delegated to them within the two Constitutions via the Scheme of Delegation.

The London Borough of Bexley has subsequently joined the shared service and delegated its finance and exchequer services to oneSource from 1<sup>st</sup> April 2016 through its Constitution and Scheme of Delegation. One Member from Bexley has joined the Joint Committee.

## **Mercury Land Holding**

Mercury Land Holding has been established as a wholly owned subsidiary of LBH. In July 2016 the company embarked on its first development and more have come on stream since. The Council has provided both equity and loans to the company to cover both development costs of schemes but also company overheads. The Council receives income in the form of Loan Arrangement Fee, Commitment Fee, Lenders Agency Fee and Interest.