

## **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 2017/18 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 a 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. 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. Members are required to register within their declaration of interest any gifts and hospitality accepted. The Codes 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. 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. This is now available online via the new portal <https://newham-dash.achieveservice.com/en>.

## **Corporate Performance Framework**

A new Vision, Corporate Plan and set of Corporate Performance Indicators was agreed for 2017/18. The Council's new Vision is broken down into four cross-cutting strategic priorities:

- Communities making Havering
- Places making Havering
- Opportunities making Havering
- Connections making Havering

Underpinning each priority is a set of strategic outcomes and delivery statements that explain how each outcome will be achieved. In readiness for 2018/19, the Council is now making preparations to move towards a new approach to service planning. The Council is moving away from the traditional approach to having 12 individual service plans sitting beneath the Corporate Plan, in favour of developing four cross-cutting plans covering each of the thematic areas of the Corporate Plan. 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.

The new Corporate Performance Indicators offer a more outcomes focused set of measures that gauge 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. It also includes a number of engagement / perception measures which provide direct feedback from residents and service users regarding their overall wellbeing; how they feel about living in their local area; how satisfied they are with Council services, and the outcomes that these services have helped them to achieve. Performance against the corporate measures is reported to the Senior Leadership Team (SLT) and Cabinet on a quarterly basis.

For this financial year, 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 measures.

For 2017/18, the Senior Leadership Team decided to remove tolerances from all performance targets, effectively removing the "amber" rating from the previous RAG system. Performance against each indicator is now reported simply either as "red" (off target) or "green" (on target). This focuses attention much more sharply on areas where performance is not at the level desired.

The quarterly review, progress monitoring and change control process introduced in 2016/17 has been enhanced during in 2017/18 by the addition of a quarterly "deep dive", considering a different Council directorate on each occasion, allowing the

Administration a regular opportunity to take a more detailed look at performance and challenges, as well as opportunities, in each directorate and the plans in place to address these.

As well as 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 indicators in their respective service areas. 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.

During 2017/18, the Council has introduced Power BI as its new corporate performance tool. This both visualises data better and enables leaders and managers to drill down deeper into the data in order to establish likely reasons for strong or poor performance. So far, a range of dashboards have been created for Children's Services, Learning and Achievement, Adult Services, Community Safety, Enforcement and Health and Safety. Further dashboards are being developed for Environment and Housing services as well as Culture and Customer Access. Corporate performance reporting dashboards are also in development in readiness for the new financial year. During 2018/19, further work will be undertaken to develop dashboards for individual managers and team leaders to provide real-time information to inform day to day management and resource allocation as well as supervision and team meetings.

A new Business Intelligence Board has been established during 2017/18 to ensure successful delivery of the Business Intelligence Strategy that was approved in the previous financial year. The Senior Leadership Team made a deliberate decision to keep membership of this Board at Assistant Director / Head of Service level, both to signal very clearly its commitment to this agenda and also in order to ensure that it is able to make strategic decisions expediently and maintain the necessary momentum in delivering the programme. As well as overseeing the rollout of Power BI, the Board has this year commissioned a Child Yield Study in order to predict and model more accurately the infrastructure needs arising out of new developments and so secure the correct amount of funding from developers for school places and other community facilities and services. The Board has also commissioned the development of a single view of debts owed to the Council via the Data Warehouse. This will facilitate easier identification of those owing multiple debts to the Council so that they can be offered appropriate support to prioritise their debts and manage their finances better, as well as maximising recovery rates for the Council. Work is also underway to use the Data Warehouse to aid the identification of families eligible for the Troubled Families cohort and for whom payment by results should be claimed, and also to support a predictive model to identify properties likely to be Houses of Multiple Occupation (HMOs). This should realise both financial and societal benefits in terms of additional license payments to the Council as well as improved standards of management within these properties. The Business

Intelligence Board reports quarterly to SLT, when sitting as the Transformation Management Board.

### **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 2018/19 there will 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 2017/18 six members sat on the Audit Committee representing the Conservative, Residents', East Havering Residents', UKIP and Independent Residents' Groups of the Borough. The membership mirrors the political make-up of the Council. The Audit Committee met six times in 2017/18 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 oneSource Fraud Structure has been in existence since 1<sup>st</sup> April 2015. Responsibility for investigating and prosecuting housing benefit fraud has moved to the Department for Work and Pensions with effect from 1<sup>st</sup> 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; Confidential Reporting (also known as Whistleblowing) Policy, Bribery and Corruption, Money Laundering and a revised Anti-Fraud and Corruption Strategy which was agreed at the September 2015 Audit Committee. Each policy and strategy is communicated to staff via induction, the intranet and awareness raising initiatives. The effectiveness of arrangements is reviewed annually as part of a wider review of anti-fraud and corruption. The results of fraud investigations are publicised to further promote the arrangements in place, as appropriate.

The Council also undertakes and participates in a number of data matching exercises including the National Fraud Initiative (NFI). The NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and is conducted every two years. The 2016 NFI matches were made available in 2017 and the 2018 data extracts will be submitted in October this year.

The Council has signed an 'in principle' memorandum of understanding with London Councils to join the London Counter Fraud Hub, which is currently being piloted by 5 Boroughs, although the Council is not part of the initial pilot. The hub will enable all 33 councils in London to share their data in order to prevent and detect fraud in such as areas of business as council tax, business rates, and housing tenancies. It will operate on a payment by results commercial model, requiring no up-front investment by the Council.

In addition, the Council has extended its housing fraud work, targeted at illegal sub-letting of council houses, Right to Buy fraud and fraud associated with its homelessness operation.

## **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 be 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 four 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, the Health and Wellbeing Board and the Children's Trust. There are also a number of other fora in existence in Havering including the Culture Forum, a range of equality and diversity forums and many others.

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.

### **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 the council has provided both equity and loans to the company to cover both development costs and company overhead and received income in the form of Loan Arrangement Fee, Commitment Fee, Lenders Agency Fee and Interest.