

# **Havering Annual Governance Statement 2023/24**

## **ANNUAL GOVERNANCE STATEMENT 2023/24**

This statement, from the Leader and Chief Executive, provides reasonable assurance to all stakeholders, that within the London Borough of Havering, processes and systems have been established which ensure that decisions are properly made and scrutinised, and that public money is being spent economically and effectively to ensure maximum benefit to everyone who is served by the Borough.

The Annual Governance Statement is co-ordinated within the Assurance Service and the production and progress of the statement is monitored by the officer Governance and Assurance Board.

### **Scope of responsibility**

The London Borough of Havering is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The London Borough of Havering also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the London Borough of Havering is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The London Borough of Havering is committed to operating in a manner which is consistent with the seven principles of the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 Edition. This statement outlines how the London Borough of Havering has complied with these principles and meets the requirements of regulations 6(1) (a) and (b) of the Accounts and Audit Regulations 2015, requiring all relevant bodies to prepare an annual governance statement.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the London Borough of Havering's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework, available on the Havering website and provided in the link below, has been in place at the London Borough of Havering for the year ended 31 March 2024 and up to the date of approval of the statement of accounts. This framework is under review during March 2024.

**[https://www.havering.gov.uk/downloads/file/3000/code\\_of\\_governance](https://www.havering.gov.uk/downloads/file/3000/code_of_governance)**

## Review of governance effectiveness

Outlined below are the arrangements in place to review the effectiveness of the governance framework and the sources of information and assurance on which this statement is based.

### Constitution

The Monitoring Officer keeps the Constitution under continual review, having delegated powers to make amendments arising from organisational changes and legal requirements and to correct errors. Other amendments are recommended by the Governance Committee for decision by Full Council.

A cross party constitutional working group (including officers) is currently up and running and is systematically reviewing various sections of the constitution to ensure it is fit for purpose. It is likely that amendments to the planning regulations, the scheme of delegations and the access to information regulations (amongst others) will be presented to governance committee in 2024/25.

The Constitution Working Party reviews the Constitution and includes representation from each political group in its membership. The lead officer for the working party is the Council's monitoring officer.

### Governance and Assurance Board

The London Borough of Havering has an established officer Governance and Assurance Board, which is scheduled to meet monthly, with standing membership, included in the Terms of Reference including:

- Strategic Director Resources / S151 / SIRO (Chair)
- Head of Assurance
- Monitoring Officer (Deputy Director of Legal & Governance)
- Director of Finance (Deputy S151)
- Head of Procurement & Contract Management
- Head of the Programme Office
- Assistant Director of Human Resources & Organisational Development

The terms of reference for the Board (reviewed annually) provide the option to extend membership to meet demands and will regularly invite additional key officers to attend, to address or report on existing and/or emerging governance issues. This Board is charged with monitoring and reviewing the effectiveness of the governance arrangements throughout the year, overseeing the production of the Annual Governance Statement, monitoring progress against significant issues raised as part of this and reviewing arrangements for Risk Management, including the Strategic Risk Register.

The Board reviews the AGS significant issues as a standing item at each meeting and provides an update to Audit Committee on the progress of these issues at least once during the year. Emerging governance issues are also considered during the regular review of governance arrangements that takes place at each meeting. The role and membership of this board is under review during quarter four of 2023/24.

## Senior Leadership Team (SLT)

During 2022/23, the Senior Leadership Team (SLT) consisted of the Chief Executive, five Directors with responsibility for Regeneration, Neighbourhoods, Children's Services, Adult Services & Health and Public Health. Interim arrangements were in place to cover the portfolio of the Chief Operating Officer, including arrangements for statutory S151 role.

On 14<sup>th</sup> March 2023, the Chief Executive launched a senior restructure linked to the launch of a new Target Operating Model (TOM) for the Council. The consultation concluded on 31<sup>st</sup> March 2023 and the restructure resulted in three Strategic Directors; Director of Place, Director of Resources and S151 Officer and Director of People. All Strategic Directors report directly to the Chief Executive, alongside the Director of Starting Well (Statutory Director of Children's Services). The remaining Directors and Assistant Directors have reporting lines to the Strategic Directors. A copy of the senior structure chart is available here [Final-Structure-Tier12-with-names-231207-v17b.pdf \(havering.gov.uk\)](#).

As a result of the restructure, titles of the senior team changed as follows:

Senior Leadership Team (SLT) (Directors) became the Executive Leadership Team (ELT) and Corporate Leadership Team (CLT) (Assistant Directors and above) became Executive Leadership Group (ELG).

## Governance Committee

The Council's Governance Committee, attended by the Leader of the Council and most other Group Leaders, is charged with overseeing the organisation's governance arrangements including the review of the Constitution and the Code of Conduct for Members. The Governance Committee oversees the Council's complaints process.

## Audit Committee

The Audit Committee is responsible for monitoring the adequacy and effectiveness of internal audit, the risk management environment, fraud and corruption arrangements and the provision of the external audit service. They receive regular reports in line with this remit and agree the annual audit plan, draft Annual Governance Statement and revisions to related policies. This monitoring is integral in the process to compile a robust Annual Governance Statement, which is approved by the Audit Committee. Significant governance issues are escalated to the Governance Committee by the Chair of the Audit Committee as required. Approval of the annual Statement of Accounts also falls under the remit of the Audit Committee.

## Overview and Scrutiny

The Overview and Scrutiny function reviews and challenges decisions made by the Executive and other bodies e.g. National Health Service organisations and the Police to assist in the development of policy.

An overarching Board undertakes all call-in functions and acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees is coordinated to avoid duplication and to ensure that areas of priority are being pursued.

The Overview and Scrutiny Board and its sub-committees have the opportunity to consider performance information within their area of responsibility using relevant performance data and other tools such as the Council's Forward Plan.

Each year Overview and Scrutiny is tasked with identifying areas of the Council's work that it wishes to consider in detail, for which purpose task and finish groups comprised of members of the Board or its sub-committees are set up to research the issue with the assistance of officers and sometimes external bodies and report their findings and recommendations.

## Local Pension Board

The role of the Local Pension Board is to assist Havering as the Administering Authority to ensure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS.

This established Board holds quarterly meetings and an annual general meeting. During 2023/24 the Board met on 25 April 2023, 11<sup>th</sup> July 2023, 10 October 2023, 21<sup>st</sup> November 2023 and 27<sup>th</sup> February 2024. The Annual General Meeting was held on the 16 September 2023. The Board produced an Annual Report for 2022/23, which sets out the work and training activities undertaken during the year. This report was presented to the Pensions Committee, for noting, at its meeting on the 7 November 2023. The report for 2023/24 is in production and expected to be presented to the Pension's Committee later in 2024.

The Pension Fund's Governance Compliance statement also incorporates the Local Pension Board, which is reviewed annually and reports the extent of compliance against a set of principles, this was presented to the Pensions Committee on the 7<sup>th</sup> November 2023.

## Internal Audit (Assurance Services)

Internal Audit is an independent assurance function that measures, evaluates and reports upon the effectiveness of the controls in place to manage risk. In doing so Internal Audit supports the Chief Finance Officer in their statutory role as Section 151 Officer. Annually the Head of Internal Audit Opinion and annual report provides assurance to officers and Members regarding the system of internal control; this assurance has also been considered in the production of this statement.

From the work undertaken during 2023/24, reasonable assurance can be provided that there is generally a sound system of internal control across the Council. This opinion is broadly consistent with the 2022/23 view. However, it should be noted that the reasonable assurance opinion contains one significant issue, as highlighted in the 2022/23 statement, detailed below:

- Procurement and contract management continues to be an area of ongoing risk, particularly with the challenging financial position the Council faces.

The Internal Audit Plan will continue to focus on these areas to provide assurance to the Audit Committee.

## Risk Management

The strategic risks to the achievement of the Authority's objectives are captured within a strategic risk register which is overseen by the Governance and Assurance Board and progress reported to the Audit Committee. Work has continued during 2023/24 to review risk registers and the Governance and Assurance Board and the Executive Leadership Group has overseen this process to ensure that the strategic risk register reflects the risks facing the Council.

The risk management strategy and supporting policies are reviewed regularly to ensure they remain relevant to the Council's systems and procedures and will be approved by the Audit Committee.

## External Inspectors

The Council is subject to review and appraisal by a number of external bodies; results of such reviews are considered within the performance management framework. The work of the Council's External Auditor, currently Ernst and Young (EY) is reported to the Audit Committee.

The council published its draft statement of Accounts for 2022/23 on 31 May 2023 in line with the deadline. As with many other local authorities the audit of the 2020/21, 2021/22 and 2022/23 accounts is not yet completed. This is due to well publicised resourcing issues. The Government and the National Audit Office recently issued a consultation on addressing the backlog and legislation is expected in due course. No governance issues have been raised.

## Information Commissioner's Office

The Council must comply with the UK General Data Protection Regulation, Data Protection Act 2018, and Freedom of Information Act 2000. In the financial year 2023/24, all data breaches that met the required threshold were reported to the Information Commissioner's Office (ICO) and no fines were imposed for weak controls. There were:

- 89 data breaches reported between 1<sup>st</sup> April 2023 and 20<sup>th</sup> March 2024
- 3 breaches reported to the ICO (ICO are taking no further action on these but have made recommendations)

Although a number of data breaches did occur, staff followed the necessary processes to report these and ensure appropriate controls were in place to mitigate any impact.

We continue to develop and improve processes and use mistakes and data breaches to inform those improvements to ensure we uphold Individual Information Rights (IIR) and process all personal data compliantly. Furthermore, we continually strive to improve processes and compliance with Freedom of Information Act requests. We also focused on improving staff awareness of GDPR and cyber security responsibilities through the mandatory L&D material. An average of 89% of staff have completed all required modules. The aim is 95% completion rate with a 5% tolerance for changes in staff numbers. This is monitored at the Information Governance board and a renewed push to complete this training will commence with the next round of PDR setting.

## Ombudsmen

The Council comes within the jurisdiction of the Local Government and Social Care Ombudsman (LGSCO). In 2022/23, there were nine cases raised with the Ombudsman. Of these, three were

identified as “maladministration & injustice” and the remaining six cases were closed after initial enquiries, with no further action taken.

## Complaints

In 2023, the council initiated a comprehensive transformation program aimed at enhancing the handling of complaints, Freedom of Information (FOI) requests, Environmental Information Regulations (EIRs), and Subject Access Requests (SARs). This multifaceted program involved several key actions:

1. **Team Consolidation:** The council merged various teams and services, streamlining their efforts to create a more efficient and cohesive approach.
2. **Policy Simplification:** Previously, there were four disparate policies governing these processes. As part of the transformation, these policies were consolidated into a single, clear, and user-friendly document. This unified policy ensures consistency and simplifies understanding for all stakeholders.
3. **Streamlined Complaints Process:** The transformation program aimed to streamline the complaints process. By doing so, it became more straightforward for complainants to navigate and for the council to address issues promptly.
4. **Introduction of a CRM System:** To enhance efficiency and accountability, the council implemented a new Customer Relationship Management (CRM) system. This system allows for better tracking and monitoring of activities related to complaints, FOIs, EIRs, and SARs.

Overall, this transformation program represents a significant step toward improving transparency, responsiveness, and effectiveness in managing these critical aspects of council operations.

## Local Government Association (LGA) Independent READI Peer review

The foundation for the READI Review was identified through the [Independent LGA READI Review](#). The current READI programme team has been in place since mid-August 2022 with the last report update provided at the end of October 2022 to the Equality, Diversity and Inclusion Cohesion (EDIC).

The READI team has allied with diverse colleagues across the council working in different gears and approaches to understand what is needed to bring system level changes; to develop understanding, learning, win hearts and minds, enabling our colleagues to go on their own journeys ascribing to READI with relevance to their job roles.

This has been achieved through listening circles, self-learning opportunities, Allyship workshops, staff forums promotional activity, building on our online learning platforms and face-to-face workshops.

The council has established a 15 areas of activity action plan which is integrated into everything that the council does, the work that all our colleagues deliver for us and the positive outcomes we achieve for our residents. This is supported by a central READI resource that facilitates on-going strategic dialogue, provides advice and support and shares good practice across the organisation.

EDIC monitors the progress and actions set out in the 15 READI objectives. The group brings together equality and special interest leads from each of the council’s service areas and each of the staff network groups. The READI programme team seeks to work with all colleagues across the

council to deliver the council's vision of "The Havering you want to be part of" and clear equality outcomes.

The EDIC's purpose is to provide support, advice, assurance and governance to ensure that the council meets our duties as defined in the Equality Act 2010, develop and implement READI related Policies and Action Plan and provides a forum for discussion on matters relating to EDI. EDIC meets on a monthly basis and is chaired by the Director for Policy, Strategy and Transformation. The Group's membership comprises representatives from each directorate within the Council, including HR (Human Resources), Public Health, Communications, Regeneration, Housing, Adults and Social Care, Children's Services, and also trade unions and the Staff Forums. It provides an oversight rather than manages and tracks the progress of the READI action plan.

At corporate level, we are learning to build the right foundations to get the right outcomes. READI is strategically and structurally assimilated in all that we do. Examples of this include, setting the agenda and holding to account through EDIC (Equality, Diversity, Inclusion and Cohesion Board), driving implementation and strengthening enablers through EQHIA (Equality and Health Impact Assessment), using data where it is available to understand trends, communications, organisational development learning to support our staff deliver best practice and succession planning, staff networks investing interests for all our colleagues. Planning meetings have already taken place to ensure the latest census data informs our EQHIA process.

## Modern Slavery

Councils have a statutory key role to play in tackling modern slavery including the duty to notify the Home Office of any individual encountered who we believe is a suspected victim of modern slavery or human trafficking. Part of the commitment to the modern slavery Act 2015 requires an annual transparency statement is to be written by every company with an annual turnover of £36m or more-which includes us. The statement should set out what it has done to ensure that slavery and human trafficking is not taking place in the Council or its supply chain. In summary the Councils role can be separated into four distinct areas:

1. identification and referral of victims
2. supporting victims – this can be through safeguarding children and adults with care and support needs and through housing/ homelessness services
3. community safety services and disruption activities
4. ensuring that the supply chains councils procure from are free from modern slavery

The refreshed statement will be published once approved at Governance board, which outlines the risks identified in relation to modern slavery this year. Following the Target Operating Model throughout 2023/24, updating the documentation was not completed, so this will now take place in 2024/25. Actions for all identified risks will be put into place and associated steps will be included in the statement.



## Progress of significant governance issues raised in the 2022/23 AGS

The issues identified in the 2022/23 Annual Governance Statement have been monitored by management and the Governance and Assurance Board throughout the year with review periodically to challenge actions and progress by both the Executive Leadership Team and the Audit Committee. Whilst progress has been made during 2023/24 in each of the areas identified in the 2022/23 AGS and the decision made to close two issues, all other issues were considered to have remained significant enough to be carried forward into the action plan for 2024/25, with some amendments and with the addition of a further two Significant Governance Issues.

The issues closed as at the end of 2023/24 and the actions taken to address these are included below:

### 1. Delivery of a balanced budget 2023/24:

The Council was able to set a balanced budget for the 2022/23 financial year. As set out in the report to Council at the start of the year there continues to be pressure over the medium term to the Council due to increased service demand and demographic pressures while available resources are reducing. As outlined in the budget setting report for 2022/23 approved in March 2022, uncertainty around many aspects of the future funding model for Local Government remains a challenge in the medium term. However over and above all this sits the ongoing implications of the COVID19 pandemic and the impact on the service delivery of the council. Reports to the council's cabinet throughout the year highlighted the spending pressures and the actions being taken to address them, including scrutiny of savings delivery and social care costs. The challenges facing the national economic position added to the challenges on the budget and will be closely monitored during the year. The situation identified as part of the council's in year monitoring processes in the first half of the 2023/24 financial year have established the scale of the future challenge and the council has increased the measures being taken to control expenditure.

### Actions taken during 2023/24

- Monthly reports provided to the Senior Leadership Team outlining anticipated outturn for the financial year, assisting in identification of Medium-Term financial pressures and opportunities.
- Regular update of the Medium-Term Financial Strategy and overarching financial position provided to Cabinet throughout the year.
- Continued delivery of the transformation and modernisation programme with theme board focus on core business and transformation delivery.
- Close monitoring of the revenue and capital plans and scrutiny of the balances and reserves of the council is included in the monitoring reporting, including the potential impact on the collection fund and forecast for year-end position.
- Regular reporting to Cabinet and Overview and Scrutiny Board on the sustainability of the MTFS has taken place including the position in reserves, taking in to account the impact on the base assumptions and the changing demographics and demand.
- A balanced position for the 23/24 budget and a revised MTFS was presented to cabinet in February 2023 and Council in March 2023.
- Continue to monitor the impact of the changing demographics and increasing demand on the financial standing of the organisation and the MTFS which is reviewed as part of the corporate monthly monitoring process.
- Ongoing Recovery plan in place to control spend including introduction of a recruitment panel, regular reviews of agency levels, stopping all but essential spend, Social care placement panels and reviews of income and fees and charges
- The 24/25 budget process took account of the full year impact of the emerging pressures in 2023/24
- The budget and MTFS is reviewed as required to verify key assumptions/delivery plans.

- Continued focus on the delivery of the corporate recovery programme including savings delivery and close monitoring of the revenue and capital plans.
- Challenge and review of the adults and children's social care budget assumptions and the assumptions on temporary accommodation
- Senior Leadership continue to monitor the MTFS and the recovery plan to ensure the sustainability of the Council's finances.
- The ongoing element of the overspend was fully incorporated in the 24/25 budget process. As part of that process the Council requested and was granted exceptional financial support which covered not only 24/25 but £21.2m in recognition of the 23/24 overspend. The Council has low levels of both earmarked reserves and general balances and DLUHC recognised that exceptional financial support would be needed to support the outturn position in order to maintain reserves and balances at a safe level

#### **Status as at 31<sup>st</sup> March 2024**

The Council significantly overspent its budget at the end of 2023/24 due to significant demand led pressures arising throughout the financial year. The service overspend is currently forecast as £30m, which over 80% of this arising from the People directorate due to demands in Live Well, Start Well and Age Well budgets.

During the course of the year, officers provided members with regular reports on the Council's financial situation including budget monitoring reports, capital monitoring, quarterly Pension Fund investment updates, treasury management updates, internal audit progress reports to Audit Committee, Pensions Committee, Overview and Scrutiny Board, Cabinet and Full Council where appropriate. Members and officers also provided several information briefing sessions on the Council's Medium Term Financial Strategy, income and assumptions clearly setting out the funding deficit for the Council. Through a more in-depth and thorough review of the constantly changing demand profile for our services, it was identified that the Council would require additional exceptional financial support in respect of the current financial year and to also support the 24/25 budget setting process.

A number of actions listed above will continue into the 24/25 financial year.

**Lead Officer: Strategic Director, Resources**

**2. Joint Venture Governance:** Circumstances that have arisen at other councils have highlighted the importance of monitoring the sustainability of significant regeneration programmes.

#### **Actions taken during 2023/24**

- Joint venture boards are regularly held.
- Regeneration group was established to manage and monitor the progress of the joint venture schemes.
- Programme dashboards are produced including progress of key deliverables and future milestones, key risks and issues.
- Business plans refreshed and reported to cabinet and implications included in MTFS.

#### **Status as at 31<sup>st</sup> March 2024**

This significant governance issue is considered closed, based on the actions taken above.  
Delivery risks will continue to be managed and monitored through the risk register process.

## Significant governance issues 2023/24 (to be addressed in 2024/25)

### 1. Delivery of a balanced budget 2024/25:

The Council was able to set a balanced budget for the 2023/24 financial year. The Council's monitoring process of the 23/24 budget identified at an early stage that there would be a likely ongoing overspend due to the continued pressures on the social care budgets and the emerging temporary accommodation pressure. The MTFS process reviewed the ongoing nature of these pressures and ensured that the development of the 24/25 budget included full recognition of those ongoing pressures. The process included the development of £15.3m of savings which were included in the 24/25 budget.

It became apparent at an early stage that as an efficient Council with low unit costs the Council was going to struggle to balance the 24/25 budget without requesting exceptional financial support from the Government. The Council acted quickly and entered into continued dialogue with DLUHC on this subject. The development of the budget set out the future pressures of the Council and the savings and increases in Government support from the 24/25 finance settlement. Despite £15.3m of savings the Council had a remaining £32.5m budget gap which was presented to DLUHC in a request for exceptional financial support. DLUHC agreed to this request and the budget is underpinned using this Capitalisation directive

It should be noted the Council has taken a sensible and prudent approach to budget setting and included a most likely and worst case scenario in its forecasting. The Capitalisation directive sensibly was based on the worst case scenario but the Council will be aiming over the coming months to contain spend towards the most likely scenario which will reduce the level of exceptional financial support it may ultimately need at year end. This will be monitored very closely as it will be also pivotal to the development of the 2025/26 budget

### Actions taken during 2023/24

- Monthly reports provided to the Senior Leadership Team outlining anticipated outturn for the financial year, assisting in identification of Medium-Term financial pressures and opportunities.
- Regular update of the Medium-Term Financial Strategy and overarching financial position provided to Cabinet throughout the year.
- Detailed monitoring of the financial standing of the Council and MTFS included as part of the corporate monthly monitoring process, and compliance with the MHCLG /DLUHC reporting requirements on expenditure, loss of income and impact on savings proposals was achieved.
- Quarterly reports to Cabinet on revenue and capital monitoring
- Close monitoring of the revenue and capital plans and scrutiny of the balances and reserves of the council is included in the monitoring reporting, including the potential impact on the collection fund and forecast for year-end position.
- Regular reporting to Cabinet and Overview and Scrutiny Board on the sustainability of the MTFS has taken place including the position in reserves, taking in to account the impact on the base assumptions and the changing demographics and demand.
- A balanced position for the 23/24 budget and a revised MTFS was presented to cabinet in February 2023 and Council in March 2023.
- Continue to monitor the impact of the changing demographics and increasing demand on the financial standing of the organisation and the MTFS which is reviewed as part of the corporate monthly monitoring process.
- The budget and MTFS will be reviewed as required to verify key assumptions/delivery plans.
- Continued focus on the delivery of savings and close monitoring of the revenue and capital plans.
- Challenge and review of the adults and children's social care budget assumption and continued updates on the pressures facing temporary accommodation

- Senior Leadership continue to monitor the MTFS and the recovery plan to ensure the sustainability of the Council’s finances.
- A series of spending controls put in place to contain spend. These controls will continue into 24/25
- Controls include a recruitment panel to oversee all posts to be recruited to and regular reviews of agency spend
- All managers to review and curtail any non essential spend
- All managers to hold vacancies where possible and cover internally rather than recruiting or getting agency cover
- Production and delivery of the Council’s Transformation and Productivity Plan which will include:
  - Full analysis and updates on saving and efficiencies the Council is currently actioning
  - Robust data driven forecasting of future pressures to enable accurate modelled financial forecasting
  - Continued transformational activity to modernise the Council’s outputs including a digital strategy which will in the medium term deliver efficiencies
  - A capital strategy to deliver the accommodation and regeneration needed to meet future needs which will ultimately relieve pressure on the general fund
  - A robust response on the actions taken following the recent OFSTED judgement setting out the Council’s approach to the recommendations in that report
  - A Communications strategy to raise awareness with the Public and Key stakeholders of improvements to Council Services and how to access them

**Planned actions for 2024/25**

- Robust baselining of all budgets including metrics
- Accurate monitoring of the cost drivers linked to financial pressures in order to fully understand emerging budget pressures
- Action plans set up where necessary to ensure delivery of the savings included in the 24/25 budget
- Robust planning approach to future years testing all MTFS assumptions and enabling timely service options to generate savings and efficiencies
- Monthly reporting of the revenue budget position to Councillors
- Quarterly monitoring reports to cabinet on capital and revenue
- Ongoing dialogue with DLUHC to raise awareness of the Councils continued financial position
- Reports to DLUHC as required to meet all requirements of the Capitalisation Directives
- Forward planning of the 25/26 position including dialogue with DLUHC at an early stage the likelihood of a further requirement for exceptional financial support
- S151 Challenge meetings set up to provide service challenge on revenue and capital budgets

**Lead Officer: Strategic Director, Resources**

**2. Council’s ability as a data controller to comply with, and demonstrate compliance with, all the data protection principles, UK GDPR requirements and ensuring compliance of our data processor(s).**

**Actions taken during 2023/24**

- Established Information Governance Board meets regularly, presented reports on data breaches to understand trends
- Review and update of Information Governance policies

- Monitoring of completion of mandatory GDPR training and Information Governance policy acceptance
- Continuation of information risk project

#### Planned actions for 2024/25

- Enhanced audit and validation of BCP arrangements and Application Management/Ownership at Directorate and Service level during 2024/25.
- Further actions will be included within the mitigation plans within the Strategic and Directorate Risk Registers, monitored through Governance and Assurance Board and ELG.
- Creation of fit-for-purpose Records of Processing Activity (RoPA) and Information Risk management processes agreed with Directorates

**Lead Officer: Strategic Director, Resources**

**3. Procurement:** Weaknesses in the governance arrangements for procuring goods and services may be compounded by resourcing issues and new link with commissioning following the implementation of the Target Operating Model, and changes to the scheme of delegation and new regulations in 2024.

#### Actions taken during 2023/24

- Established the LB Havering Gateway Review Group to manage and govern the procurement programmes of the council.
- The Havering sovereign procurement service is now in place and a new Head of Service has been recruited (starting 1<sup>st</sup> May 2024)
- The Council's constitution has been reviewed and changes accepted in March 2024, the implementation of these changes is a pre-cursor to updating the Contract Procedure Rules (CPRs).

#### Planned actions for 2024/25

- Since the Council's Constitution has been re-written, the CPRs can now be reviewed and changes proposed.
- In line with the upgrade of the Council's intranet platform there will be renewed focus on self-service and training for managers across the Council in their obligations around procurement and compliance for procurements above and below threshold. Initiate training, videos, drop-in sessions etc. Training has been run for new managers, we will have regular drop-in sessions when we launch new guidance or processes, review intranet pages and ensure templates and guidance notes are up to date and processes are as streamlined as possible.
- Constitution review to include procurement aspects.
- Implementation of a Corporate Procurement and Commissioning Board to replace GRG.
- A new process for Procurement Initiation Forms and waivers, utilising new technology and governance arrangements has been developed and will be launched in early 2024/25.
- Launch of a Procurement Forward Plan for Havering, to increase visibility, reduce bureaucracy and manage demand within the team, following full Director approval in early 2024/25.

- We will adopt a new approach to monitoring Value for Money and Social Value delivered against what is promised
- We will review roles and responsibilities to ensure the Havering Procurement Team meet the business requirements in terms of Contract monitoring and management, and links with transactional services and HR to ensure end-to-end processes are as efficient as possible.
- Implementation of Internal Audit recommendations
- Learning from best practice
- We will plan and prepare for the new Procurement regulations that are due to come into place later this year.

**Lead Officer: Strategic Director, Resources**

#### **4. Inadequate judgement outcome of Starting Well's Social Care Department following Ofsted's Inspection of Local Authority Children's Services (ILACS) in December 2023 – and corresponding Children's Services Improvement Plan.**

##### **Actions taken during 2023/24**

- Corporate financial investment of £8m growth to address demand pressures on services including development of two additional social work teams to address high caseload concerns.
- Strengthening of resources in the Multi-Agency Safeguarding Hub (MASH) to ensure effective application of thresholds
- Revised and strengthened Quality assurance framework launched and embedded
- Recruitment of an Improvement team
- Development of a new structure for Children's Social care launched in April 2024
- Development of a practice improvement board chaired by an Independent chair launched in March 2024
- Meetings with DfE and Ofsted in relation to intervention notice.
- Relaunch of Child in Need, Child protection and Child in care permanence panels

##### **Planned actions for 2024/25**

- Development of fully costed Improvement plan through workshops with staff, partners and parent forums to be submitted to Ofsted and the DfE by end of May 2024 ratified by full council by July 2024
- Further corporate investment of £13.2m
- Completion of Phase one of the Starting Well reorganisation to deliver improvements by end of July 2024.
- Recruitment to permanent AD posts within Starting Well by August 2024
- Launch of Phase two of the Starting well reorganisation by October 2024
- Review of processes and forms within the Case Management System (Liquid Logic) to reduce inefficiencies
- Development and rollout of a programme of thematic training for staff, managers and supervisors to support practice improvements
- Improvement programme in line with improvement plan delivered before Ofsted first monitoring visit in October 2024

**Lead Officer: Tara Geere, Director of Starting Well**

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Conclusion**

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and on which action has been taken to address.

**Signed:**

Leader of the Council ..... Date.....

Chief Executive ..... Date.....