



Haverling

LONDON BOROUGH

GOVERNANCE COMMITTEE

Special Meeting

AGENDA

7.30pm	Thursday 19 June 2008	Haverling Town Hall Main Road, Romford
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Members 10: Quorum 4

COUNCILLORS:

**Conservative Group
(6)**

Frederick Thompson
(Chairman)
Steven Kelly
(Vice-Chairman)
Kevin Gregory
Eric Munday
Roger Ramsey
Michael White

**Residents' Group
(2)**

Clarence Barrett
Gillian Ford

**Rainham &
Wennington
Independent
Residents' Group
(1)**

Jeffrey Tucker

**Labour Group
(1)**

Keith Darvill

**For information about the meeting please contact:
Ian Buckmaster (01708) 432431
e-mail ian.buckmaster@haverling.gov.uk**

NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

The Council is committed to protecting the health and safety of everyone who attends meetings of its Committees.

At the beginning of the meeting, there will be an announcement about what you should do if there is an emergency during its course. **For your own safety and that of others at the meeting, please comply with any instructions given to you about evacuation of the building, or any other safety related matters.**

2. MOBILE COMMUNICATIONS DEVICES

Although mobile phones, pagers and other such devices are an essential part of many people's lives, their use during a meeting can be disruptive and a nuisance. Everyone attending is asked therefore to ensure that any device is switched to silent operation or switched off completely.

3. CONDUCT AT THE MEETING

Although members of the public are welcome to attend meetings of the Committee, they have no right to speak at them. Seating for the public is, however, limited and the Council cannot guarantee that everyone who wants to be present in the meeting room can be accommodated. When it is known in advance that there is likely to be particular public interest in an item the Council will endeavour to provide an overspill room in which, by use of television links, members of the public will be able to see and hear most of the proceedings.

The Chairman of the meeting has discretion, however, to invite members of the public to ask questions or to respond to points raised by Members. Those who wish to do that may find it helpful to advise the Committee Officer before the meeting so that the Chairman is aware that someone wishes to ask a question.

PLEASE REMEMBER THAT THE CHAIRMAN MAY REQUIRE ANYONE WHO ACTS IN A DISRUPTIVE MANNER TO LEAVE THE MEETING AND THAT THE MEETING MAY BE ADJOURNED IF NECESSARY WHILE THAT IS ARRANGED.

If you need to leave the meeting before its end, please remember that others present have the right to listen to the proceedings without disruption. Please leave quietly and do not engage others in conversation until you have left the meeting room.

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS
(if any) - receive.

3 DECLARATION OF INTERESTS

Members are invited to declare any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

4 CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING

Cheryl Coppel
Chief Executive

Governance Committee (Special), 19 June 2008



MEETING	DATE	ITEM
GOVERNANCE COMMITTEE	19 June 2008	4

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: CORPORATE GOVERNANCE ARRANGEMENTS IN HAVERING

SUMMARY

This report updates the Committee in respect of Corporate Governance arrangements.

RECOMMENDATION

That the Committee:

1. Note the actions taken.
2. Note the improvements made for delivering good governance.
3. Agree the Annual Governance statement.
4. Recommend to Audit Committee the inclusion of the Annual Corporate governance Statement in the annual Accounts.
5. Confirm their commitment to promote good Corporate Governance.

REPORT DETAIL

Background

1. Members, at the March Committee, were advised that:
 - (a) Following extensive research and consultation, the CIPFA/Solace Joint Working Group had produced a new framework *Delivering Good Governance in Local Government*. The principles and standards set out in the *Framework* are to help local authorities develop and maintain their own codes of governance and discharge their accountability for the proper conduct of business.
 - (b) The new *Framework* illustrates best practice for developing and maintaining a local code of governance and making adopted practice open and explicit.

The *Framework* recommends that authorities must be able to demonstrate

that they are complying with the principles of good governance. The six core principles defined in the *Framework* are taken from the Good Governance Standard developed by the Independent Commission on Good Governance in Public Services with support from the Office for Public Management (OPM) and CIPFA, in partnership with the Joseph Rowntree Foundation, and have been adapted for local government purposes.

- (c) Good governance means the six core principles:
 - (i) focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
 - (ii) members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - (iii) promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - (iv) taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
 - (v) developing the capacity and capability of members and officers to be effective
 - (vi) engaging with local people and other stakeholders to ensure robust public accountability.

2. Members, at that meeting, in response to the changes:

- (a) Agreed a different process for the Council to use in developing an Annual Governance Statement and the sequence of preparation and reporting of it – Appendix A and B.
- (b) Fundamentally reviewed the Code of Governance, having regard to the new guidance – Appendix C.
- (c) Noted the development of a new self assessment model to be used by the Governance Officer Group to assess current Governance arrangements and areas for improvement. The Officers involved are:

Cheryl Coppell, Chief Executive
Cynthia Griffin, Group Director Public Realm
Christine Dooley, Assistant Chief Executive Legal & Democratic Services
David Ede, Assistant Chief Executive Human Resources
Vanessa Bateman, Audit Services Manager
Philip Heady, Democratic Services Manager
Barry Howlett, Performance Manager
Jonathan Owen, Assistant Chief Executive Strategy & Communications

- (d) Noted the approach of documenting the Assurance Framework for the Borough including the documents / processes used and the contributions from different groups.

3. Areas where effectiveness should be improved was identified and set out below is what has been done.

- Vision for the Council launched
- Values set and being rolled out
- Structure changed to improve community engagement
- Communication improved, including Living in Havering fortnightly, Leader's tours, Mayoral engagements
- Integrated Performance Management System being implemented
- LAA2 successfully negotiated
- Community Strategy being reviewed
- Equalities and Diversity Performance Management System established
- New complaints system agreed and being rolled out
- Reviews taking place of approach to Customers
- Member Development Group work progressing, including:
 - * 360° appraisals
 - * Cabinet Member appraisals

4. Publicity of the Code has and continues to take place by publication of articles in Inside Havering and Living in Havering as well as by writing to all Stakeholders. In order to continue to assess the effectiveness of our arrangements, the views of a variety of people will continue to be sought to assess whether the public understand:

- who does what at the council;
- how to get information about our finances, and;
- how to get clearer information about the decisions the council makes.

5. The Council has prepared an Annual Governance Statement which is attached - Appendix D.

Financial Implications and Risks:

There are none arising directly. The risk of taking this forward is an increased expectation from stakeholders that is not delivered through the actions of the Council. However, this risk is unlikely as the Council is committed to openness and transparency. The risks of not taking this forward is the Council not being viewed as open and transparent and the Audit Commission assessing Corporate Governance adversely.

Legal Implications and Risks:

The Corporate Governance Code reflects many of the statutory requirements placed on the Council by various Local Government Acts. It does not introduce new obligations on the Council.

Human Resource Implications and Risks:

Governance Committee (Special), 19 June 2008

Implementation of these measures will lead to improved performance management. It will also ensure clear standards of personal behaviour are adopted through the development of protocols and codes of conduct. It will also recognise the importance of continual training and development for Members to enable them to effectively fulfil their roles.

Equalities and Social Inclusion Implications and Risks:

The code should ensure that the Council is shown as an inclusive Authority.

Staff Contact: Rita Greenwood

Designation: Group Director Finance & Commerce

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CHERYL COPPELL

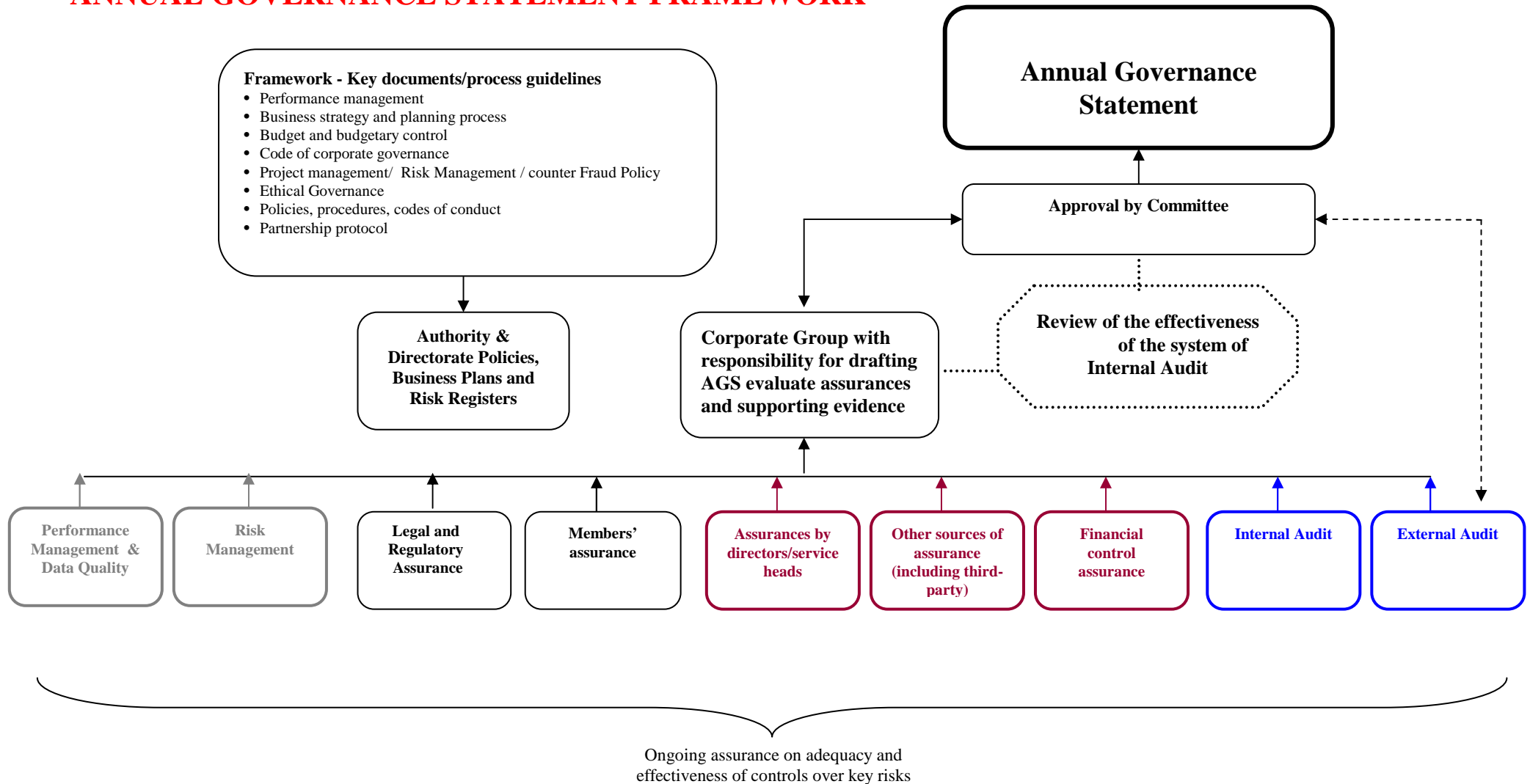
Chief Executive

Background Papers List

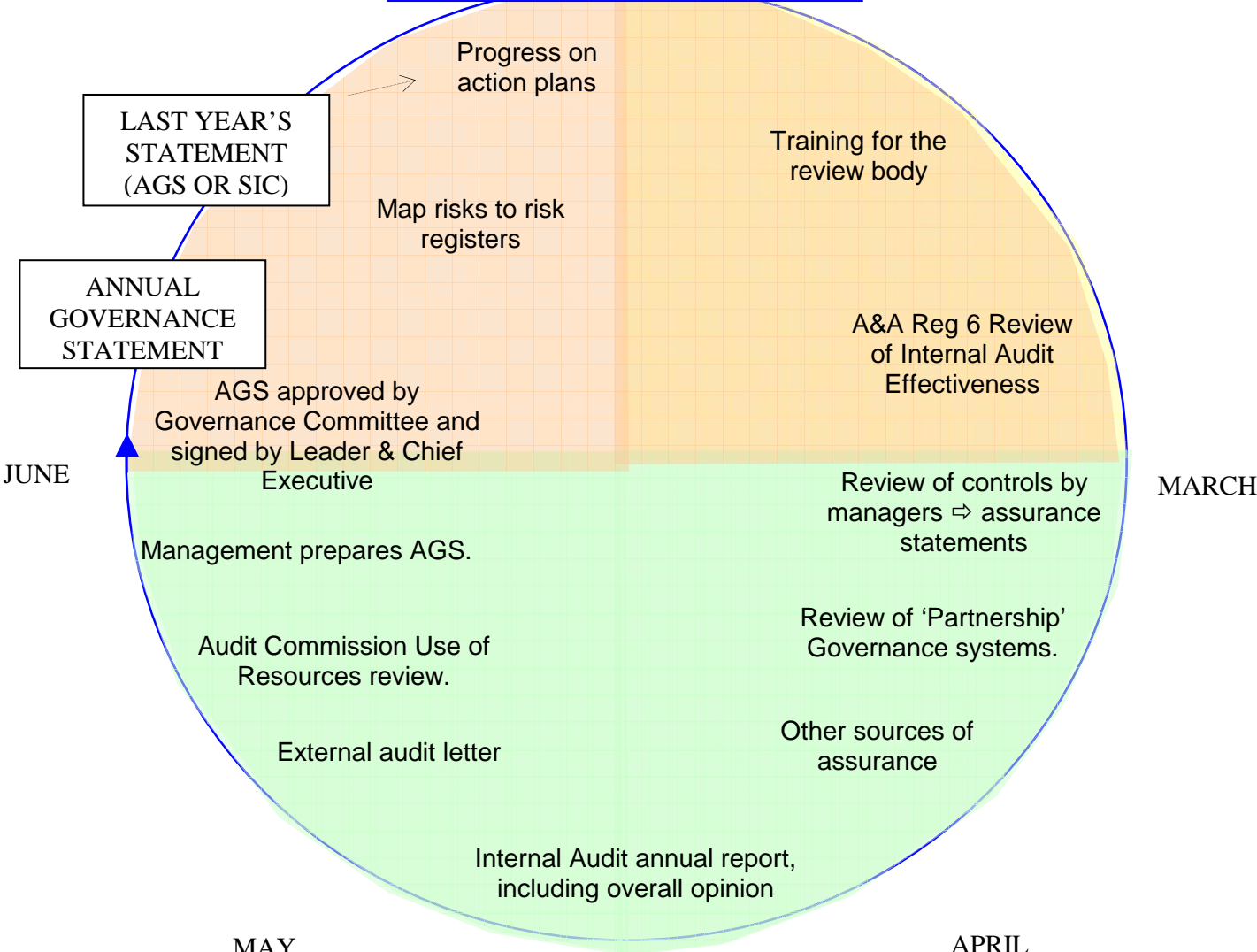
None.

APPENDIX A

ANNUAL GOVERNANCE STATEMENT FRAMEWORK



THROUGHOUT YEAR
 Evaluate Controls
 Review/Update Risk Registers
 Performance review reports
 Management reports
 Internal Audit Reports



APPENDIX C

THE LOCAL CODE OF CORPORATE GOVERNANCE IN HAVERING

INTRODUCTION

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published a framework document for Corporate Governance in Local Government.

The London Borough of Havering is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions, through the continued maintenance of a Local Code as recommended by the CIPFA/SOLACE Framework.

What is Corporate Governance?

For the purposes of this code it is defined as the system by which organisations are directed and controlled.

The Council recognises that effective local government relies upon establishing and maintaining the confidence of the public in both the elected Members and Officers of the Council.

The Council acknowledges that the setting of high standards of self governance provides a clear and demonstrable lead to both our existing and potential partners, and therefore provides the basis of effective community governance.

The Principles

The London Borough of Havering actively recognises the principles identified through CIPFA/SOLACE, and seeks to fulfil each area as detailed within this document.

- Accountability
- Effectiveness
- Integrity
- Openness & Inclusiveness
- Up to date

1. Implementing the Vision

The Council will review its vision and the impact on the borough regularly. It will ensure that all partnerships which the Council has involvement in consider a common vision which can be understood and agreed by all.

2. Community Focus

The London Borough of Havering will publish, on a timely basis, an annual report and performance plan, communicating the Council's activities and achievements, its financial position and the satisfaction of its service users.

In addition to this, arrangements will be made for the independent review of the financial and operational reporting processes.

Individuals and groups from all sections of the community will be encouraged to engage with, contribute to and participate in the work of London Borough of Havering, these processes will be monitored to ensure that they operate effectively.

We are committed to

- Openness in all of our dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- Establishing clear channels of communication with all sections of the community and other stakeholders, putting in place appropriate monitoring arrangements to ensure that they operate effectively.
- Developing with the local community and stakeholders, a vision for the local communities. This will be clearly articulated and disseminated and will incorporate priorities and targets. It will be supported by relevant strategic plans.
- Being supportive and respectful in our dealings with each other, our partners and contractors and the community as a whole.

3. Service Delivery Arrangements

The London Borough of Havering will measure and monitor the quality of service received by users and will ensure that such information is available to review service quality effectively and regularly and will:

- Establish a clear policy about the types of matters it will consult on and engage with the public and services users.
- Ensure such policy contains a feedback mechanism for the public and service users to demonstrate what has changed as a result
- Ensure processes for dealing with diverse priorities and competing demands are set out in the policy.
- Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to environmental and equality policies.
- Establish sound systems for providing management information for performance measurement purposes.
- Monitor and report performance against agreed standards and targets in a comprehensive and understandable way.
- Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community and establish processes to ensure that they operate effectively.
- Provide positive responses to the findings and recommendations of external auditors and statutory inspectors. Arrangements for the effective implementation of agreed actions will be made.
- Be committed to diversity and, in doing so, we acknowledge the diversity of the local population. Service delivery will take account of our diverse communities.

In the event of any service failure the Council will immediately put in place effective measures to identify and deal with these.

4. Structures and Processes

Balance of Power and Authority

The London Borough of Havering will document:

- The protocols governing relationships between members and officers.
- The relative roles and responsibilities of executive and other members and senior officers, so they are clearly defined.

- Details of Committees, including Audit, Governance and Overview & Scrutiny Committees.

Roles and Responsibilities – Members

The London Borough of Havering will:

- Set out a clear statement of the Cabinet and Cabinet members individual responsibility and document this.
- Set out the respective roles and responsibilities of Council members and senior Council staff.
- Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority, taking account of relevant legislation. This will be monitored and reviewed on a regular basis.
- Meet regularly on a formal basis to set the strategic direction and monitor the service delivery of the authority.
- Establish clearly documented and understood management for:
 - Policy development, implementation and review
 - Decision-making, reporting and monitoring & control
 - Formal procedural and financial regulations to govern the conduct of the authority's business.
- Recognise the initial and continued training need of members. Members are to be trained for their roles and given access to all relevant information, advice and resources as necessary, to enable them to effectively fulfil their roles.
- Define formally in writing the role of the executive member(s) of the authority, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole.
- Define clearly in writing the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review.
- Ensure that the role of the Leader of the Council is understood and that there is shared understanding of the roles and objectives of the Leader and of the Chief Executive.

- Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances overall performance.
- Maintain open and effective mechanisms for documenting evidence for decisions, recording the criteria, rationale, and considerations on which decisions are based.
- Maintain the Members’ Code of Conduct and the hospitality register for Members.
- Ensure that the Council’s Audit Committee discharges its functions appropriately and independently of Cabinet and Scrutiny functions.
- Produce Annual Reports detailing the activities carried out by Overview and Scrutiny Committees.
- Ensure that relevant stakeholders and partners are effectively engaged in the scrutiny process so that there is public accountability.

Roles and Responsibilities – Officers

The London Borough of Havering will:

- Make a Chief Executive or equivalent responsible and accountable to the authority for all aspects of operational management.
- Ensure that the role of the Chief Executive is well understood and that there is a shared understanding of the roles and objectives of the Leader and the Chief Executive.
- Make a senior officer (the Section 151 Officer) responsible to the authority for:
 - Ensuring that appropriate advice is given on all financial matters
 - Keeping and maintaining legitimate and proper and effective financial records and accounts
 - Maintaining and keeping a proper and effective system of internal financial control.
- Make a senior officer (the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.
- Define clearly in writing the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review.

- Adopt clear protocols and codes of conduct to ensure that the implications of supporting community political leadership for the whole council are acknowledged and resolved.
- Maintain and effectively manage the Hospitality Register for staff.
- Ensure that relevant, timely and fit for purpose information is provided to those making decisions.
- Ensure that professional advice on matters that have legal or financial implications are available and recorded well in advance and used appropriately.
- Whilst striving to use its powers for the benefit of residents to ensure that appropriate recognition is given to the limits of lawful activity placed upon the Council by law and the ultra vires doctrine and other administrative case law and principles in order to ensure good decision making
- Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

5. Developing Capacity

The Council will ensure that members and staff have the skills, knowledge, experience and resources they need to perform effectively in their roles by:

- Ensuring its legislation programme continues to meet individual needs and opportunities for members and staff to update their knowledge on a regular basis as and when required.
- Ensuring staff performing statutory roles have the necessary skills, resources and support necessary to effectively perform their roles.
- Ensuring such roles are fully understood throughout the Council.
- Assessing the skills of members and staff and developing those skills on a continuing basis to improve performance.
- Recognising when external expert advice is needed.
- Enabling members and staff to effectively scrutinise and challenge
- Ensuring effective arrangements are in place for reviewing the performance of the Cabinet as a whole and of individual members and

agreeing an action plan which might aim to address training and/or development needs.

- Encouraging new talent for membership of the Council and its workforce ensuring continuity and renewal.
- Ensuring effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council and its partners.
- Ensuring career structures are in place for members and staff to encourage participation and development.

6. Use of Resources and Value for Money

The London Borough of Havering will:

- Measure and monitor value for money in respect of the use of its assets and resources, staffing and the management of its contracts and partnership agreements.
- Use the information available to assist the Council or partnership to regularly review value for money and performance by the use of performance information and statistics.
- Measure the environment and equalities impact of all policies, plans, decision and functions.

7. Risk Management and Internal Control

The London Borough of Havering will:

- Develop and maintain robust systems for identifying and evaluating all significant business risks which involve the proactive participation of all those associated with planning and delivering services.
- Put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice to ensure that public funds are suitably safeguarded and used economically, efficiently and effectively, in accordance with the statutory and other authorities that govern their use.
- Ensure that services are delivered by trained and experienced people.

- Arrange for objective reviews of the effectiveness of risk management and internal control, including internal audit.
- Maintain an objective and professional relationship with their external auditors and statutory inspectors.
- Publish within the annual report, an objective, balanced, understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice.
- Ensure that risk management is embedded in the organisation's culture and that members and staff at all levels recognise it as part of their roles and jobs.

8. Standards of Conduct and Shared Values

The London Borough of Havering will:

- Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, partners and agents of the authority are required to subscribe and establish appropriate systems and processes to ensure that they are complied with.
- Make arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and establish appropriate processes to ensure that they continue to operate in practice.
- Put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice.
- Establish and promote a whistle blowing Policy to which staff, contractors, partners, the public and other stakeholders have access to.
- Develop shared values for the Council and staff reflecting public expectations and communicate these to members, staff, the community and partners.
- Monitor the shared values to ensure they demonstrate that the organisational values are effective.
- Use the shared values as a guide for decision making and actions and as a basis for developing positive and trusting relationships.

- Ensure that behaviour demonstrates those shared values both individually and collectively.
- Effectively and transparently maintain its complaints procedure.

9. Partnerships

The London Borough of Havering will ensure that relationships between the Council, its partners and the public are clear in order that each knows what is expected of the other. The Council will:

- Develop protocols to ensure effective communication between members, partners and officers and the public.
- Ensure effective mechanisms are in place to monitor service delivery.
- Ensure its visions, strategic plans, priorities and targets are developed through robust mechanisms in consultation with the local community and other key stakeholders and that they are clearly articulated and disseminated
- Set out the standards of conduct and personal behaviour expected
- Ensure that clear channels of communication are in place and that appropriate monitoring arrangements are documented and operating effectively.

10. Roles / Responsibilities of the Public and Public Accountability

The public have the following rights and responsibilities set out in the Constitution:

- Rights regarding voting and petitions,
- Rights to access information held by the Council through Freedom of Information and Environmental Impact legislation..
- Rights in participation in Council affairs and the responsibilities upon them when they do.
- The right to be engaged appropriately by the Council through a robust scrutiny function.
- The right to access and use the Council's complaint procedure

11. Update and Revision of the Local Code of Corporate Governance.

In accordance with the requirements of the Council's Internal Control Framework, this code will be kept updated and reviewed from time to time.

If you have any comments or questions on this Local Code please contact Rita Greenwood, Finance and Commercial Group Director at the Town Hall on 01708 432218, or e-mail rita.greenwood@haverling.gov.uk

ANNUAL GOVERNANCE STATEMENT

This statement provides 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 all citizens of the Borough.

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 and 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, and which includes arrangements for the management of risk.

The London Borough of Havering has approved and adopted a code of corporate governance, which is consistent with the principals of the CIPFA/SOLACE* Framework *Delivering Good Governance in Local Government*. The code sets out details of how the public and staff can expect the Council to be managed. Accountability, effectiveness, integrity, and openness are among the principles the code is based upon. The code also details how the Council conducts its business and how it relates to the community. This includes service delivery arrangements; structures and procedures; risk management and standards of conduct. The code is available on the Council's website and is within the Constitution of the Council. Other information on governance can also be found on the Council's website by following the link to council and then democracy / corporate governance. A copy of the code can be requested in other formats and languages.

This statement explains how London Borough of Havering has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and 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.

* Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives

The system of internal control is a significant part of that 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 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 has been in place at London Borough of Havering for the year ended 31 March 2008 and up to the date of approval of the draft statement of accounts.

The governance framework

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

Vision and purpose

'Living Ambition' - aiming for the highest quality of life in London is a 20 year vision for the London Borough of Havering.

The Council will work with partners and the local community to seize opportunities and shape a future for Havering that is bright, bold and rewarding for everyone who lives, visits, or works in the borough. The 'Living Ambition' agenda will be delivered by striving towards five goals:

- Goal for **Environment** : to ensure a clean, safe and green borough;
- Goal for **Learning** : to achieve excellence in education and learning;
- Goal for **Towns and communities** : to provide opportunities for all through economic, social and cultural activity;
- Goal for **Individuals** : to value and enhance the lives of every individual; and a
- Goal for **Value** : to deliver high customer satisfaction and a stable council tax.

Underpinning the Vision are new Values, to which all officers will be expected to work, in order to build a more effective organisation. The Council's Values are:

One Council - By combining our talents and presenting a single face to our customers, we will build our reputation as a unified organisation rather than individual departments.

Learning from experience - We can continuously improve how we do things by learning from each other. If we meet new challenges with innovative thinking we can develop new ways of working and pass on the knowledge.

Integrity - We will earn the respect of others by behaving honestly and openly and delivering on promises.

You matter - We can build better relationships with colleagues, customers and partners if we develop a better understanding of their needs. We are not a business to business organisation but a people to people one.

Can do - By being positive and accepting change and the risks it entails, we can be

more optimistic and positive when faced with problems and create a more decisive but adaptive organisation.

Fair to all - If we value diversity and combat discrimination we will be able to champion and empower all the members of our staff and community and provide an example for all.

Performance Management

The performance management framework has several functions:

- Focussing priority setting around needs along with the priorities of the Council and the public;
- Maximising the effective delivery of the services and the efficient use of resources through the facilitation of joint planning both across Council services and with partner organisations; and
- Ensuring relevant, timely and accurate information is available to measure and monitor performance and on which to base decisions.

Performance management is carried out via a series of meetings individually and at team level across the services. Performance monitoring is undertaken as part of those processes and the information collected feeds into a report to all Members, through the Members Monthly Pack. The Improvement and Delivery Board, comprising both members and officers, meet to review performance on a regular basis. The Overview & Scrutiny Committees also consider the performance reports – along with those that they have independently commissioned – and carry out their own reviews. Heads of Service also produce a quarterly pack which summarises their service performance and progress against objectives.

An annual summary of performance against the statutory and key local performance indicators is published on the website. An annual report is also produced for distribution as hard copy, summarising performance and plans.

The Council's strategy and soon to be produced policy and guidelines on data quality lay down clear guidelines to the effect that all performance measures must be produced to the same robust standard; any performance data that is to be considered for publishing can be subject to either internal or external audit.

The Council's financial management approach is led through its Medium Term Financial Strategy, which is produced in the summer, setting out the approach to financial planning for the subsequent three financial years. A series of Star-Chamber style sessions review performance, define the savings and spending targets for each Service area; these along with the results of market research into public opinion, studies of the needs in the Borough and the requirements of the Council's priorities go to define the objectives in Service Plans, which are linked to the Council's objectives via 'the Golden Thread'.

There are a number of strategies linked directly with the MTFs; this includes the Capital Strategy, the Corporate Asset Management Plan, the Risk Management Strategy, the ICT Strategy and the Workforce Planning Strategy.

Council's Constitution

The constitution sets out the roles and responsibilities of officers and members and provides details of how decisions are made and who can make them. It also contains the rules for managing our finances and resources effectively.

Details of those functions remaining with full Council are set out together with full Cabinet and individual Cabinet Member powers. All the terms and references of the various Committees of the Council are set out. All these provide clear accountability and effective leadership and decision making. There is an extensive Scheme of Delegation to officers enabling them to manage their areas of responsibility on a day to day basis. Where a key decision is to be taken, the Council publishes details in the Forward Plan.

Codes of Conduct

The Council has an Employee Code of Conduct for officers 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 are required 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 for new staff and are available via the intranet. Periodically awareness campaigns occur to remind officers of their responsibilities. The relevant Corporate Management Team member is tasked with ensuring that appropriate arrangements are in place and the systems are reviewed at least every three years by internal audit. The most recent review was concluded in March 2008.

A Code of Conduct for Council Members was revised by the Government in 2007 and was adopted by the Council on 18th July 2007 ahead of the October deadline. Training has been provided to Members on the new Code and all Declarations of Interests have been made under the new Code. As part of the adoption of the new Code, the Council Protocols on Member/Officer Relations and Planning have been reviewed and adopted and a new Protocol on Gifts and Hospitality has been made and this was approved by the relevant Committees and Council.

Financial Rules and Regulations

The Council has Financial and Contract Procedure Rules and Financial and Procurement Frameworks along with other policy and procedural documents in place to guide officers in their every day duties and ensure appropriate process and controls are adhered to. Schemes of delegation are also in place along with authorised signatories lists to detail appropriate levels of responsibility. Compliance with the various financial rules and regulations is monitored by Management and considered during audits of systems and processes. The Financial Procedure Rules were updated and approved in March 2008 and the Financial and Procurement Frameworks are also currently under review. The Contract Procedure Rules are also currently under review and will be approved by Cabinet in July 2008.

Effective Audit Committee

The Audit Committee operates in accordance with the relevant CIPFA guidance. Its effectiveness is reviewed annually and an annual report is produced for the Committee. The Committee's terms of reference, outlined in the Constitution, contain responsibilities relation to internal control, external audit, and internal audit. Eight members sit on the Audit Committee representing the Conservative and Residents Groups of the Borough. The Audit Committee meets five times per year. The Committee has an annual work plan and training programme and reports on its performance to Council annually.

Compliance with laws, regulations and internal policies

The Constitution sets out the legal framework for decision making and the publishing of those decisions. There is a scrutiny system in place to ensure that the work of the Council complies with all appropriate policies, laws and regulations. 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 clear every Cabinet, Council and Committee report and every Lead Member decision, for compliance with laws, policies and regulations. The Statutory Officers also provide advice to Members at all appropriate times. Statutory appointments have been made for Adults and Children and a Lead Member for Children has been appointed.

Internal policies and procedures exist to guide officers and ensure compliance with legislation and proper practice. Policies and procedures are reviewed at least annually.

Counter Fraud and Confidential Reporting

The Council has a corporate strategy for the prevention and detection of fraud and corruption. The effectiveness of the arrangements in place are reviewed annually and results reported to the Audit Committee. Ad hoc promotion of the strategy takes place throughout the year as part of the fraud strategy action plan. Integral to these arrangements is the Confidential Reporting, also known as Whistleblowing, policy which is communicated to staff via induction, the intranet and ad hoc awareness initiatives. The effectiveness of arrangements are reviewed annually and reported to Audit Committee. The results of fraud investigations are publicised to further promote the arrangements in place, as appropriate.

The Council also participates in the National Fraud Initiative (NFI) a computerised data matching exercise, lead by the Audit Commission, designed to detect fraud perpetrated on public bodies. Havering has been praised on their efforts on this exercise.

Complaints

Customer relationships and complaints handling was identified in 2007 as one of the areas in need of renewed impetus. The Chief Executive has considered such areas during the recent restructure of her Corporate Management Team (CMT). Reports have been considered by the Adjudication and Review Committee, who have overall responsibility for complaints handling. CMT have also spent time considering the

importance of the Customer Services Policy and have agreed to build on currently systems and fully integrate the Council's 'front office' ensuring all contacts receive a prompt response and more importantly resolution. This work has commenced with new service standards and a training programme.

Training and Development

The Council has a commitment that every member of staff has a review and annual appraisal to discuss performance, targets and personal development. It also has a commitment to provide a minimum of three days training per annum and in September 2007 opened a new dedicated training centre in Rainham. The Council provides a range of training opportunities for managers and staff to ensure they can deliver services effectively. These include a Leadership Programme, Leaders' and Managers' toolkit, recruitment and selection, Health and Safety, Project Management and IT training. It also provides training / briefing on procurement procedures, finance for non-financial managers and risk management.

Members have their own development programme to keep them up to date with changes and support their training needs. Training is supplemented by information through briefings, bulletins and it is planned to run a series of mini-conferences. Their training includes Finance and the Code of Conduct, Licensing and secure accommodation review. The high standard of the training was recognised in a positive assessment in April 2008 for the Member Development Charter.

Communication and Consultation

The Council strives to identify and develop new effective mechanisms to communicate and consult with the community. The Corporate Plan takes account of consultation as well as local and national priorities. The Council has adopted and implemented the Equality Standard, achieving level one and aiming to achieve levels two and three by the end of 2008/09. A wide number of forums take place to consult with all members of community, particularly targeting hard to reach groups.

The Council maintains a website to provide information and a point of contact to the residents of the Borough. The publication 'Living' is also issued two weekly communicating information regarding Council activities.

An extensive consultation process is carried out as part of the development of the MTFs and detailed annual budget. Views are sought through various media and the budget itself is subject to scrutiny through Cabinet, Overview & Scrutiny and Area Committees.

Partnerships

There are seven theme areas and champions within the Havering Strategic Partnership (HSP) structure. These are:

- Community Participation;
- Community Safety;
- Environment;
- Prosperous Community;

- Older People;
- Health and Wellbeing; and
- Children and Young People.

Theme Delivery Champions, for accountability purposes, report to the Programme Board on progress against the Community Strategy Action Plan and any other relevant work for the theme. Delivery Champions relate the aims and progress of the theme area to the Assembly in very general and accessible terms making it accessible for smaller groups and businesses to be involved in local decision making and scrutiny.

Through the HSP structure elected members and other community representatives can engage more fully in the work of the HSP. Each theme will work with Cabinet members to develop and implement the LAA programme.

The HSP is not legally constituted, and the council, as the accountable body, It has to ensure clear and robust financial and performance monitoring arrangements are in place. The council's own performance management arrangements are strong and its performance team works closely with the HSP.

A partnership toolkit has been developed by the Council to log and rank the partnerships to which resources are applied. It is being used to manage partnerships outside of the HSP e.g. major providers. The toolkit will be further developed in 2008/09 to provide additional guidance to the lead officers and promote a consistent approach to partnership working across the organisation.

Review of effectiveness

The London Borough of Havering has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Governance Group within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

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 written reports, organisational changes, and legal requirements and to correct errors. Other amendments are considered by Governance Committee and Council. Following a Senior Management Restructuring in May 2008, a substantial part of the Constitution has been reviewed and amended to reflect the new officer structure.

Governance Group and Corporate Management Team

The Council's officer governance group is charged with reviewing the governance arrangements and monitoring any actions designed to improve the framework; close links exist between this group and the Corporate Management Team, who take an active interest in Governance issues. The group have implemented a timetable for the annual review and considered guidance provided by CIPFA; a self assessment against the six principles of good governance has also been completed and an action plan drawn up.

Governance and Audit Committees

The Council's Governance Committee, attended by the Leader of the Council, and other Group Leaders, is charged with overseeing the Council's governance arrangements and received a report outlining the on-going work of the governance group during the financial year in March 2008. The Governance Committee is responsible for approving the code and the Annual Governance Statement and officers from both this and the Audit Committee, being responsible for monitoring the work of Internal Audit, have been integral in the process to produce this statement.

Overview and Scrutiny

The overview and scrutiny function reviews decisions made by members. The focus of their role is to provide a challenge and to support the development of policies. At their meetings they consider performance information; using such things as the quarterly Head of Service packs and monthly Members packs.

Internal Audit

Internal Audit is an independent appraisal function that measures, evaluates and reports upon the effectiveness of the controls in place to manage risks. In doing so Internal Audit supports the Group Director Finance and Commerce in her statutory role as Section 151 officer. Annually a Head of Internal Audit Opinion and annual report provide assurance to officers and members regarding the system of internal control; this assurance has also been considered in the production of this statement.

Management

The responsibility for the system of internal control sits with management therefore each Head of Service is required to complete their own assessment and declaration with regards to the arrangements in place within their respective areas. These declarations have been considered when compiling this statement. The Council has embedded risk management processes and relevant policies and the strategy are reviewed and approved annually by Audit Committee. Service Risk Registers are maintained as part of business planning process and independently reviewed bi-annually, with results reported to the Risk Management Group, who are in turn responsible for periodic review of and updates to the Corporate Risk Register.

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 the Audit Commission, is reported to the Audit Committee. The Audit Commission provided an unqualified opinion for 2006/07 within their Annual Governance Report with regards to Value for Money. The Council's accounts are audited annually by the external auditor. The results of all external reviews have also been considered in the process of compiling this statement.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Management Team and the Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

The issues identified in the 2006/07 Statement on Internal Control have been monitored by management throughout the year with review periodically to challenge actions and progress by both Corporate Management Team and the Audit Committee. Evidence of this review as well as the detail regarding actions can be found within the Audit Committee agendas on the website. Of the eight issues highlighted in the 2006/07 Statement on Internal Control, five had been fully addressed at the end of March 2008, the remaining three were issues with wide reaching implications and although significant progress has been made in each area it is felt that the issues remain open. The three issues are therefore detailed below along with the further planned actions to ensure that focus on these areas is maintained throughout 2008/09.

Significant Issue and action already taken	Planned action	CMT Lead
1. Complaints Handling. <ul style="list-style-type: none"> ➤ Review by overview and scrutiny, adjudication and review and CMT. ➤ Enhancements to technology. ➤ New approach approved by Cabinet – including a strong commitment to complaint resolution. 	Implement and Promote new approach; Monitor and report on performance inc Customer Satisfaction; and Implementation of a new system.	Group Director Culture & Community
2. Partnership working including changes to funding arrangements. <ul style="list-style-type: none"> ➤ Partnership toolkit rolled out. ➤ Increased emphasis on partnership working. ➤ Robust arrangements in place regarding strategic partners. 	Re-promote toolkit and ensure it clearly guides lead officers in the councils approach to partnership management; Extend good practice from strategic partnerships throughout organisation; and Audit 2008/09.	Group Director Culture & Community

<p>3. Homes in Havering.</p> <ul style="list-style-type: none"> ➤ Close links between organisations. ➤ Worked together to prepare for 2007 inspection of ALMO. ➤ Performance Management process in place and regular meetings occur. 	<p>Develop relationships and protocols further and have clear shared objectives; implement joint risk management procedures to ensure maximum achievement of objectives. Reduce bureaucracy between the two organisations and prepare for next inspection.</p>	<p>Group Director Culture & Community</p>
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In addition to those issues highlighted above the procedures to review and monitor Governance Arrangements in 2007/08 have highlighted the following:

Significant Issue and action already taken	Planned action	CMT Lead
<p>4. Data Quality – including Partner organisations.</p> <ul style="list-style-type: none"> ➤ Development of a data quality strategy; and ➤ Implementation of an electronic performance management system that will enable timelier reporting by partners. 	<p>Data quality training, policies and guidance rolled out with Havering Performs – the performance management system; Refresh the strategy – annual review due July 2008; and Internal and External Audits planned 2008/09.</p>	<p>Group Director Finance & Commerce</p>
<p>5. Community Engagement</p> <ul style="list-style-type: none"> ➤ Completed governance self assessment to highlight areas of weakness; ➤ Senior Managers away day dedicated to equality and diversity and new values launched; ➤ Restructure of Senior Management to support the increased impetus and joint working in this area. 	<p>Monitor action plan resulting from self assessment. Implement robust procedures for collection of National Indicators. Internal Audit on Local Area Agreements/Community Strategy 2008/09 plan.</p>	<p>Group Director Culture & Community</p>

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.

Signed:

Leading Member

Chief Executive.....