

ANNUAL GOVERNANCE STATEMENT

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 explains how the London Borough of Havering has complied with these principles and also meets the requirements of regulations 6(1) (a) and (b) of the Accounts and Audit Regulations 2015, which requires 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 (detailed in Appendix A to this statement) has been in place at the London Borough of Havering for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

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. A further, more detailed, description of our governance framework is included in Appendix A to this statement.

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 considered by the Governance Committee and Council.

Governance and Assurance Board

The London Borough of Havering has an established officer governance group which was reviewed and refreshed for the start of 2016/17 and renamed the Governance and Assurance Board. Membership now includes the S151 officer, the Deputy Director Legal and Governance, the Head of Assurance and the Director of Finance (oneSource) with option to extend membership to meet the demands of the work programme. This Board is charged with reviewing the governance arrangements, 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 having oversight of the Corporate Risk Register.

Corporate Leadership Team

A new Chief Executive was appointed in May 2016, following the retirement of the previous Chief Executive. The Corporate Management Team (CMT) underwent a restructure that saw the deletion of the two previous Deputy Chief Executive roles and creation of Director roles for the following services: Neighbourhoods, Children's Services, Adult Services & Health and Chief Operating Officer incorporating the role of Chief Finance Officer (s151 officer). CMT was re-designated as the Senior Leadership Team (SLT) as a result of the restructure. The back office services are managed for Havering, Newham and Bexley by the Managing Director of oneSource, with eight members of the Corporate Leadership Team (CLT) having a dual role across Havering and Newham and three members across all three.

Governance Committee

The Council's Governance Committee, attended by the Leader of the Council and other Group Leaders, is charged with overseeing the organisation's governance arrangements including the Code of Conduct for Members. During 2016/17 the Governance Committee was given specific delegation by Council to review staff terms and conditions and implement any changes

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, 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.

Adjudication and Review Committee

The Adjudication and Review Committee is made up of ten Councillors and is politically balanced. The committee provides members for panels to consider complaints against councillors and also to make up 'Member review' panels (which is the default panel for considering complaints made by members of the public at Stage Three of the Corporate Complaints procedure through a paper exercise). Should a Member Review Panel consider that a complaint warranted a formal hearing it would adjourn and reconvene to hear the matter with the parties present. The Adjudication and Review Committee is also responsible for overseeing and confirming the appointment of 'Independent Persons' or the Independent School Appeal panels which are convened to review permanent pupil exclusions.

Overview and Scrutiny

The Overview and Scrutiny function reviews decisions made by the Executive and other bodies, e.g. National Health Service organisations and the police. The focus of their role is to provide a challenge to decisions made by the Executive and to assist in the development of policy.

In late 2014 a review of the Overview and Scrutiny arrangements was undertaken which led to a revision of its governance structure.

An overarching Board has been established which 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 co-ordinated to avoid duplication and to ensure that areas of priority are being pursued.

The Board has subsumed the role of the former Value Scrutiny Committee which oversaw general management matters. The remaining six Overview and Scrutiny Committees have become 'sub-committees' of the new Overview and Scrutiny Board. The Board's membership is politically balanced but includes the Chairmen of the Overview and Scrutiny sub-committees amongst others.

The Overview and Scrutiny Board and the sub-committees have the opportunity to consider performance information within their area of responsibility using monthly Members packs and other relevant performance data.

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 groups comprised of members of the

Board and 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

During 2016/17 the Local Pension Board was formed which oversees the governance of the Pension Fund by the Pensions Committee.

Internal Audit (Assurance Services)

Internal Audit is an independent appraisal 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.

The Internal Audit service is part of the oneSource shared arrangement and until July 2016 had an Interim Head of Internal Audit across both boroughs. The review of the audit and assurance function was identified as a significant issue in the 2014/15 Annual Governance Statement. The planned restructure was delayed until 2016/17 to enable the London Borough of Bexley to be included in the review.

In August 2016 the Internal Audit, Counter Fraud and Risk Management Services of all three boroughs were combined and restructured under the Head of Assurance post. There is a close working relationship between the Audit, Counter Fraud, Risk Management & Insurance. If there are perceived weakness in control identified by Counter Fraud or Insurance, Internal Audit are made aware.

From the work undertaken during the 2016/17 year, reasonable assurance can be provided that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally applied consistently. The level of assurance, therefore, remains at a level consistent with the assurance provided in 2015/16.

Risk Management

The revised Risk Management Policy and Strategy was agreed by the March 2016 Audit Committee. This saw the adoption of a roles and responsibility approach inclusive of the Mayor / Leader, various boards and forums down to an individual level.

The strategic risks to the achievement of the Authority's objectives are captured within a Corporate Risk Register which is overseen by the Governance and Assurance Board and reported to Audit Committee during 2016/17. The Corporate Risk Register was last reviewed and approved by SLT in March 2017, before being presented to the Audit Committee in May 2017.

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 (E&Y) is reported to the Audit

Committee. The Committee received a copy of the Audit Letter issued by Ernst & Young following completion of the 2015/16 audit. They had issued unqualified opinions on both the Council's and Pension Fund's financial statements. The Audit Results Report had been issued on 26 September 2016 and the certificate of completion had been issued on 28 October 2016 once they had completed the WGA and Pension Fund work.

The External Auditors were required to consider whether the Council had put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This was known as the value for money conclusion. Ernst & Young had issued an unqualified value for money conclusion on 30 September 2016.

Information Governance and Security

The council's ICT infrastructure is subject to external and independent scrutiny mandated by the government. The Public Sector Network (PSN) compliance is required and managed by the Cabinet Office. The council carried out penetration tests in May 2016 and remedial actions required have been carried out.

There were three incidents relating to disclosure of information investigated by the ICO in 2016/17. These incidents were investigated by the Information Commissioner's Office (ICO) and each case was found to have been caused by an administrative error. Controls and procedures in place at the time of each incident were considered by the ICO to be adequate and aside from some improvements that were recommended and implemented for the incident in May 2016, no further action was taken.

Significant governance issues 2015/16

The issues identified in the 2015/16 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 Senior Leadership Team and the Audit Committee.

1. Scheme of Delegation – This primarily related to the oneSource joint Scheme of Delegation which was originally raised as a 2014/15 significant issue following the decision to delegate functions to the Joint Committee. The Joint Committee agreed a consolidated Scheme of Delegation to oneSource officers on 22nd January 2016 which is now available on the intranet. This exercise apparently highlighted some issues with the LB Havering Scheme of Delegation and was raised as a significant issue going forward for 2015/16. A provisional review of the Constitution and the delegation arrangements was undertaken in the autumn 2016. Further review and decisions on how the Scheme of Delegation arrangements could be improved will be prioritised for 2017/18 and this has been placed on the Governance and Assurance Board agenda as a standing item to review progress.
2. Commissioning and Contracts – This was highlighted as a significant issue for 2015/16 as there were instances identified of failings by officers to comply with procurement rules. A number of actions have taken place during 2016/17 to deal with this including; a full review of the contracts register against spend, new thresholds introduced to One Oracle, audit work to provide assurance and the formation of a Joint Commissioning Unit to service Adult Social Services, Children's Services, Housing, Public Health and Learning and Achievement. There are ongoing issues identified during 2016/17 which has led to this remaining as a significant issue going forward in 2017/18.

Significant governance issues 2016/17 (to be addressed in 2017/18)

Significant Issue and action already taken	Planned action	Target date for completion	CMT Lead
<p>1. Scheme of Delegation</p> <p>A review of the Scheme of Delegation was identified following the amendments to include oneSource.</p> <p>A provisional review of the Constitution and the delegation arrangements was undertaken in the Autumn 2016. While the current Scheme enables lawful decision making, a further review will be undertaken and decisions made on how the Scheme of Delegation arrangements could be improved</p>	<p>➤ Review of the arrangements and format of the Scheme of Delegation ;</p>	<p>September 2017</p>	<p>Monitoring Officer</p>

Significant Issue and action already taken	Planned action	Target date for completion	CMT Lead
<p>2. Commissioning and Contracts (including compliance with procurement rules).</p> <p>There have been instances identified of failings by officers to comply with the Procurement rules.</p> <ul style="list-style-type: none"> ➤ New thresholds (all orders over £25k and collectively over £164k that do not have a contract in place) introduced to One Oracle ➤ A programme of audit work to provide assurance ➤ Links established with Cabinet report approval process to ensure procurement oversight ➤ The formation of a Joint Commissioning Unit to service Adult Social Services, Children's Services, Housing, Public Health and Learning & Achievement. 	<ul style="list-style-type: none"> ➤ Introduction and embedding of the Procurement Board ➤ Quarterly reports to SLT ➤ Strengthening checkpoint process compliance ➤ Continued programme of audit work to provide assurance 	<p>July 2017</p>	<p>Managing Director, oneSource</p>

Significant Issue and action already taken	Planned action	Target date for completion	CMT Lead
<p>3. Mercury Land Holdings (MLH)</p> <ul style="list-style-type: none"> ➤ It has been identified that a review of the governance arrangements in relation to MLH is required as the business moves forward. <p>Mercury Land Holdings is a newly established company and as that company develops it is advisable to review and update the governance arrangements to ensure they are efficient and robust</p>	<ul style="list-style-type: none"> ➤ To review the governance, decision-making and Shareholder arrangements and to recommend or make such changes as are considered appropriate 	<p>September 2017</p>	<p>Monitoring Officer and S151</p>
<p>4. Projects and Programme Management</p> <ul style="list-style-type: none"> ➤ The Councils has a significant number of large scale and complex projects and programmes to deliver over the medium term and needs to ensure it can deliver these with appropriate governance arrangements. <p>It is important that the</p>	<ul style="list-style-type: none"> ➤ To review the Councils project and programme management arrangements to ensure they sufficient to meet the increasing number of projects over the medium term 	<p>July 2017</p>	<p>Chief Operating Officer</p>

<p>Council reviews it's arrangements and capacity to manage the high number of projects and programmes to meet the agreed and desired outcomes.</p>			
<p>5. Information Technology & Information Governance</p> <ul style="list-style-type: none"> ➤ The Council urgently replaced a large element of its core information and technology infrastructure in 2016 and therefore an underlying review of the infrastructure needs to take place <p>There are also increased risks generally in both the public and private sector around cyber security. In addition the new General Data Protection Regulation (GDPR) changes will come into effect in May 2018 and the organisation will need to respond, requiring a detailed focus on the information security.</p>	<ul style="list-style-type: none"> ➤ To review the Councils IT security arrangements to mitigate the risk to the Council ➤ To ensure all officers are aware and briefed on changes to the Data Protection legislation ➤ To carry out a review of the IT budgets to ensure that appropriate investment is being put into IT infrastructure ➤ To implement GDPR changes across the council through detailed and planned process. 	<p>March 2018</p>	<p>Managing Director, oneSource</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.

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

Chief Executive

Appendix A

The governance framework

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

Our Vision for the Borough 2016/17 – Clean, Safe and Proud

During 2016/17 the Council had a three point vision for Havering:

- Havering will be clean and its environment looked after for future generations.
- People of all ages will be safe, in their homes and in the community.
- Residents will be proud to live in Havering, where we respect each other, value our traditions and work together to improve our quality of life.

To achieve this vision, the Council will support the local community with direct investment in the services and projects that matter most to local people, use its influence to attract investment to Havering, while preserving 'green Havering' and its quieter communities, and lead by example, by running a low cost, high standard local authority.

The organisation's Values

The work of the Council and its staff is anchored in the organisation's Values:

- Be Positive;
- Respect Others; and
- Work Together.

Codes of Conduct

The Council has Employee and Member Codes of Conduct supported by the requirement to make declarations of interest and to declare gifts and hospitality. Interests must be declared by officers above a certain grade or who hold specific decision making and procurement positions. All officers, regardless of their employment status, are required to adhere to the Code of Conduct and to decline gifts and hospitality to ensure that they are not inappropriately influenced. Members are required to register within their declaration of interest any gifts and hospitality accepted. The Codes and related policies and procedures are communicated via induction sessions and are available via the intranet. The Employee Code of Conduct was updated and re-launched in 2014/15 to ensure that there is awareness of all requirements and of responsibilities. The relevant SLT member is tasked with ensuring that appropriate arrangements are in place for declarations and the systems are reviewed periodically by internal audit.

Corporate Performance Framework

The Corporate Performance Framework has been updated during 2016/17. The overall aim of the document is to generate a consistent, goal focused approach to performance management at all levels across the organisation. It provides information on the corporate performance monitoring and reporting process; clarifies roles and responsibilities with regards to this, and serves as a frame of reference for any activity linked to improving performance. By adhering to the guidance and parameters set out in the Corporate

Performance Framework, officers of the Council will ensure that their work is ultimately geared towards the realisation of corporate objectives.

The Council's Corporate Plan 2016/17 has been at the heart of the Corporate Performance Framework. It sets out the overall priorities and objectives of the organisation and outlines the key activities that will be undertaken as well as the measures put in place to monitor delivery.

Sitting beneath the Corporate Plan are individual service plans, which outline in more detail the work that will be undertaken to achieve the corporate objectives. A number of improvements were made to the service plan template for 2016/17, specifically:

- The narrative at the beginning of service plans has been more focused on the outcomes the service is seeking to achieve and on clarifying the 'golden thread' between the Corporate Plan, the service's target outcomes and what this means for individual teams within services.
- A section has been added analysing key volumetrics and recent trends in demand for services as well as projecting forward how demand for services is expected to change in the future and setting out the service's plans for mitigating / managing this.
- Increased use of benchmarking to inform target setting.
- The introduction of a more sophisticated approach to performance thresholds, with the blanket approach of $\pm 10\%$ replaced by the setting of specific tolerances for each individual performance indicator as part of the annual service planning process.
- More robust scrutiny and challenge of performance indicators and targets, with the Council's new Overview and Scrutiny Board participating in this process for the first time in readiness for 2016/17.
- The introduction of a quarterly review, progress monitoring and change control process, making Service Plans 'live' documents that will be revisited and refreshed throughout the year in light of changing and emerging priorities.

The Corporate Performance Framework operates at a number of different levels throughout the organisation. In addition to the Senior Leadership Team (SLT) and Members scrutinising the quarterly Corporate Performance Reports, individual performance management takes place as part of the supervision and Performance Development Review (PDR) process for each member of staff. Directorate Management Teams also receive and discuss monthly performance packs detailing performance against the key performance indicators in their respective service areas. The Overview and Scrutiny Board and its six sub-committees also consider the quarterly Corporate Performance Reports, together with any other reports that they have commissioned, and carry out their own independent reviews. Other key boards and forums (such as the Corporate Parenting Panel and Child Safety Performance Board) also receive regular performance packs specifically tailored to their remits. During 2016/17, work has also commenced on the implementation and rollout of "Power BI", a corporate performance

management tool which will visualise data better and enable leaders and managers to drill down deeper into the data presented in order to establish likely reasons for strong or poor performance.

During 2015/16 a particular issue was identified with the arrangements for reporting performance to Members and, as a result, improvements have been made to the reporting cycle in 2016/17. Under the arrangements for 2015/16, the quarterly and annual corporate performance reports were reported to Cabinet first, then the Overview and Scrutiny Board and then the various Overview and Scrutiny sub-committees. Depending on the corporate meetings schedule for any given quarter, this resulted in the whole cycle of reporting taking between four and seven months to complete. During 2016/17, reports have been presented to the sub-committees first, then to the Overview and Scrutiny Board and finally to Cabinet, which has reduced the time taken to complete the entire reporting cycle.

During 2016/17, the Council also developed and approved its first Business Intelligence Strategy. This sets out how the Council will gather and make best use of business intelligence in order to manage demand better, identify savings and make more accurate forecasts in terms of both finance and performance. It outlines areas that are integral to improving the assembly and use of business intelligence, including transparency and open data, customer insight, operational intelligence and data quality and how the Council plans to take these forward in the period up to 2019. Towards the end of 2016/17, consultation also commenced on a restructure of the Policy, Performance and Community service designed to resource delivery of the new Business Intelligence Strategy through the creation of a new Business Intelligence team.

A Data Quality Policy is appended to the Business Intelligence Strategy and staff throughout the organisation have been reminded of the importance of data quality and completeness through internal communication tools such as Core Brief. Methodology statements are in place in respect of all the corporate performance indicators in order to ensure that changes in personnel do not impact on the manner in which performance data is collected and analysed, and any performance data can be subject to either internal or external audit. Regular data quality reports are produced and regular data cleansing is carried out in respect of key areas such as Adults' and Children's Social Care.

During 2016/17, the Chief Executive has generated momentum in increasing the transparency of the Council. In line with this, an audit has been undertaken of the Council's adherence to the Local Government Transparency Code 2015 and swift action taken to rectify areas of non-compliance identified (for example, by ensuring that relevant information is produced and published in the required format).

Financial Rules and Regulations

The Council has Financial and Contract Procedure Rules, Policies and Guidance, along with other procedural documents. These guide officers in their everyday duties and ensure appropriate processes and controls are adhered to. The iProcurement system makes use of authorisation limits which are built into the management hierarchies rather than being manually checked before transactions are processed. Transactions are gradually being migrated onto this new system. Compliance with the various financial rules and regulations is monitored by management and considered during audits of systems and processes. Reports are available to managers through the One Oracle dashboards to enable monitoring and transparency of specific financial delegations.

Effective Audit Committee

The Audit Committee operates in accordance with the relevant CIPFA guidance. The Committee's terms of reference set out in the Constitution contain responsibilities relating to internal control, external audit and internal audit. Members are expected to serve a four year term on the Committee to ensure consistency; they also nominate named substitute members who receive the same level of induction and on-going training to ensure there is sufficient expertise at every meeting to challenge officers. During 2016/17 six members sat on the Audit Committee representing the Conservative, Residents', East Havering Residents', UKIP and Independent Residents' Groups of the Borough. The membership mirrors the political make-up of the Council. The Audit Committee met five times in 2016/17 and has an annual work plan made up of regular and specific agenda items.

Compliance with laws, regulations and internal policies

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

Counter Fraud and Confidential Reporting

The Council has a corporate strategy for the prevention and detection of fraud and corruption. The oneSource Fraud Structure has been in existence since 1st April 2015. Responsibility for investigating and prosecuting housing benefit fraud has moved to the Department for Work and Pensions with effect from 1 April 2015.

The work of the service and achievement of the corporate fraud strategy is monitored by the Audit Committee. Proactive promotion of the strategy takes place throughout the year as part of the fraud strategy action plan. Integral to these arrangements is a suite of policies and strategies including; Confidential Reporting (also known as Whistleblowing) Policy, Bribery and Corruption, Money Laundering and a revised Anti-Fraud and Corruption Strategy which was agreed at the September 2015 Audit Committee. Each policy and strategy is communicated to staff via induction, the intranet and awareness raising initiatives. The effectiveness of arrangements is reviewed annually as part of a wider review of anti-fraud and corruption. The results of fraud investigations are publicised to further promote the arrangements in place, as appropriate.

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

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

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

Complaints

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

Ombudsman

The Council comes within the jurisdiction of the Local Government Ombudsman. In 2016/17, the Ombudsman found nine cases of maladministration against the Council. Eight cases were "maladministration & injustice" and one was "maladministration, no injustice".

Training and Development

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

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

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

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

Communication and Engagement

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

The Council maintains a website to provide information and services to the residents of the Borough. The publication 'Living in Havering' is distributed to all households six times a year, promoting access to services and raising the profile of the work done by the Council and local people to make Havering a good place to live. This is augmented with regular emailed bulletins on a host of subjects including 'Living In Havering' branded e-newsletters to over 130,000 subscribers, as well as communication through a host of other channels, from social media to poster sites and the local press.

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

The public are also consulted on the Council's future priorities. In 2017 budget consultation the council asked residents about their priorities for the borough and the Council's intention to increase Council Tax including a precept for Adult Social Care to support services for vulnerable adults. There has also been comprehensive consultation and ongoing communications with residents in the Council's sheltered accommodation with proposals to completely re-provide those services over the next few years.

In 2017 the Council launched its new vision for the borough, Havering – making a Greater London. This encompasses four themes, Communities making Havering, Places making Havering, Opportunities making Havering and Connections making Havering. These four themes are outcome led with measurable targets against each.

Transformation

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

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

Partnerships and Collaborative Working

There are a number of partnership boards in place such as the Community Safety Partnership, the Health and Wellbeing Board and the Children's Trust. There are also a number of other fora in existence in Havering including the Culture Forum, a range of equality and diversity forums and many others.

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

oneSource

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

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

Mercury Land Holding

Mercury Land Holding has been established as a wholly owned subsidiary of LBH. In July 2016 the company embarked on its first development and the council has provided both equity and loans to the company to cover both development costs and company overhead and received income in the form of Loan Arrangement Fee, Commitment Fee, Lenders Agency Fee and Interest.