

# Enfield Council Annual Governance Statement 2023/24

## 1. Introduction

- 1.1. Enfield Council ('The Council') is required by statute to review its governance arrangement at least once a year. It 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.
- 1.2. This Annual Government Statement ('Statement') explains how the Council has complied with its codes and policies and continues to improve its systems and procedures to deliver for its residents.

## 2. Scope of responsibility

- 2.1. The Council 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.
- 2.2. The Council has a best value duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which functions are exercised.
- 2.3. The Council has adopted a number of codes and policies in place which are consistent with the principles of CIPFA/ SOLACE Framework for Delivering Good Governance in Local Government 2016. The documents are the Counter Fraud Strategy, which includes the Counter Fraud and Corruption Policy statement, the Whistleblowing Policy and the Anti-Money Laundering Policy, Contract Procedure Rules and the Pay Policy Statement, which are kept under regular review and updated as necessary. Monthly meetings with the Chief Executive are also held to discuss all high level legal, risk, governance and assurance issues.
- 2.4. This Statement also explains how the Council meets the requirements set out in Regulation 6(1) (b) of the Accounts and Audit (England and Wales) Regulations 1015, which requires a local authority to prepare an Annual Governance Statement.

2.5. The Council also fulfils a governance role in relation to businesses that it wholly or jointly owns, namely:

- Energetik (trading name of Lee Valley Heat Network Operating Company Ltd), created in 2015, a local energy company owned by Enfield Council, set up to supply heat and hot water to over 15,000 homes and businesses across North London.
- Housing Gateway Ltd, created in 2014, its founding purpose was to assist the Council in reducing its temporary accommodation budget pressure. It offers assured shorthold tenancies against which the Council can discharge its homelessness duties.
- Montagu LLP (full company name Montagu 406 Regeneration LLP), created in 2018, the Council owns 50% in the Limited Liability Partnership and set up to regenerate the Montagu industrial estate.

### **3. The purpose of the Governance Framework**

3.1. The Governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

3.2. Compliance with this governance framework enables the Council to assess the success of its strategic objectives, and to consider whether they have led to the delivery of appropriate/cost effective services.

3.3 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, rather than absolute assurance of their effectiveness.

3.4 This Statement describes the key changes and developments within the Council's governance framework during 2023/2024 and up to the date of the approval of the annual statement of accounts.

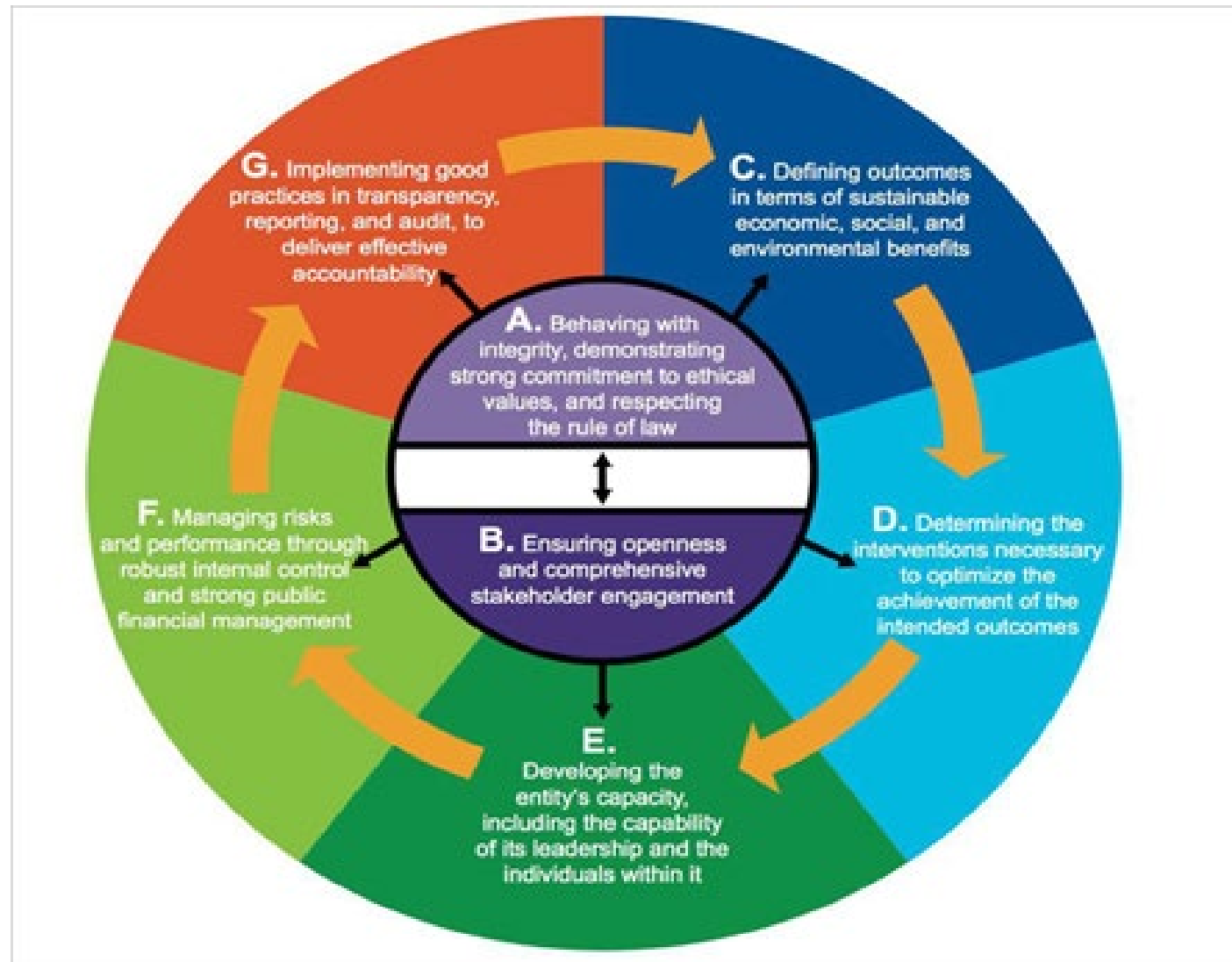
3.5 The Statement shows progress that has been made in dealing with the governance issues included in last year's statement and the governance issues that have been identified from this year's governance review are addressed in this Statement.

## **4. The Governance Framework**

4.1 The 'Delivery of Good Governance in Local Government Framework', published by the Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executive and Senior Managers (SOLACE), sets out the standard for local authority governance in the United Kingdom. Our current Monitoring Officer was a member of the Panel which reviewed and developed this document. SOLACE, CIPFA and the LLG Group have recently published a new Code of Practice on Good Governance for Statutory Officers. This will be reviewed and considered in the coming year.

4.2 The Framework sets out seven core principles, as illustrated in figure 1 below, that underpin good governance in the public sector.

**Figure 1- Core principles of delivering good governance**



## 5. Key elements of the council's governance arrangements

The seven core principles of good governance in the public sector are set out below along with details of how we meet these principles and examples.

### *Principal A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law*

5.1.1. The Constitution sets out how the Council operates, how decisions are made and the policies which are followed. It is made of six parts and sets out the basic rules for governing the Council's business, as well as detailed procedures and codes of practice.

5.1.2. The Constitution sets out the responsibilities of both members and officers. The Council has identified the following posts:

- The Chief Executive (s.4 Local Government and Housing Act (LGHA) 1989), who is the designated Head of Paid Service
- The Executive Director and Resources undertakes the Section 151 officer role (Local Government Act 1972)
- The Director of Law & Governance is the designated Monitoring Officer (s.5 LGHA 1989).
- The Head of Internal Audit which ensures compliance with the audit functions set out in the Accounts and Audit Regulations 2015.

5.1.3. A Scheme of Delegation sets out the powers delegated to officers as part of the Constitution. It ensures clear demarcation of responsibility and authority, to ensure there is adequate oversight of operational compliance with its requirements. The Council Scheme of Delegation is agreed at the annual meeting in May each year.

5.1.4. The Council has a Member Code of Conduct. It has a Register of Member Interests and a Register of Gifts and Hospitality which is maintained by the Monitoring Officer and which are reviewed regularly.

5.1.5. All Councillors receive training on the requirements of the Code of Conduct and related issues. The Monitoring Officer gives regular advice notes to members on decision making and standard of conduct in the form of 'Monitoring Officer Advice Notes'.

5.1.6. The Council has a Councillor Conduct Committee which is ultimately responsible for the promotion and monitoring of high standards of conduct amongst Councillors and co-opted members. The Council has appointed 2 Independent Persons who, together

with the committee, assist Councillors and co-opted members to observe their Code of Conduct and all other Codes within the Constitution. the committee will also consider requests for dispensations by councillors, and co-opted members relating to interests set out in the Code of Conduct.

5.1.7. The Constitution includes various other Codes and Protocols. For example:

- Code of Conduct for Members
- Internet and Email Usage Policy
- Planning Committee Code of Practice
- Licensing and Gambling Code of Practice
- Employee Code of Conduct
- Email, Internet and social networking usage policy and procedures
- Protocol for Member/Officer Relations
- Protocol for Member Appointments Panels
- Guide to officers – Secondary employment and business interests

There is no review programme in place for these documents and that will be put in place for the coming year.

5.1.8. All staff, in particular managers, are responsible for ensuring that laws and regulations are complied with and that the authorities' policies are implemented in practice. Executive and other Directors and Heads of Service are responsible for monitoring implementation of the Council's policies.

5.1.9. The Council has a number of key governance related policies. Officers are made aware of their responsibilities by way of staff newsletters, emails, managers' briefing and during the induction process.

5.1.10. The Council recognises the importance of Health and Safety ('H&S') across its organisation. The H&S Committee (to consult with Trade Unions) has been reviewed and the membership altered slightly. A new chair has been appointed and further changes are being considered to improve the way the Council manages the H&S and well-being of its staff and others, including the creation of a new H&S Management Board.

## ***Principle B – Ensuring openness and comprehensive stakeholder engagement***

5.2.1. Consultation and engagement with residents, stakeholders and the wider community is part of the Council's decision-making process, to ensure that their views are heard. The Council encourages those communications via a wide range of methods such as the Council's Consultation portal, direct communications with residents by letters, the use of social media and public forum. Further details on current proposals and previous consultations and engagement activities can be accessed in the '*Have your say*' section on the Council's website.

<https://www.enfield.gov.uk/consultations>

5.2.2. While making important decisions which affect residents and other stakeholders, the Council has a duty of ensuring equality, diversity, and human rights principles. These duties are embedded in the budget setting and business planning process and each template require members to take into consideration the quality and diversity impacts of proposed decisions, where appropriate.

5.2.3 The Corporate H&S Committee is the main forum for consulting with TU representatives on H&S issues. There are also some departmental and site-based H&S fora for staff.

5.2.4 our employees are our biggest asset and their views are important to us. We have a number of staff fora including:

- The Women Into Leadership group
- Mental health and Wellbeing group
- Ethnic Minority Staff Group
- Disability Working Group
- LGBTQ+ Staff Network
- Young professionals Network

## ***Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits***

***Council Plan 2023-2026***

5.3.1. The Council approved the Enfield Council Plan 2020-22, which sets out the vision for delivering a lifetime of opportunities for everyone in Enfield. The Council has reflected on progress made on delivering the Plan; on the challenges and opportunities for the borough and created a new Council Plan for 2023-2026 which was approved by Full-Council in June 2023. The Plan contains five priorities, to create and support clean and green places; strong, healthy, and safe communities; thriving children and young people; more and better homes; and an economy that works for everyone. The Council aims to deliver on these priorities to help improve the lives of Enfield residents, investing in the borough to support people through the current challenging economic situation in the immediate term, while also delivering on longer term improvements. Internally, we have worked together to create a series of awareness raising programmes that use our Staff Matters and Culture Matters internal media channels in combination with wider general awareness raising and discussions at departmental management team meetings. We have also commissioned a series of short films that tie into the Council Plan priorities, and these have been released both internally and externally in stages over the 2023/24 financial year. These films also support our ongoing drive to attract, recruit and retain the best talent linked to our new Workforce Strategy.

#### ***New Local Plan to 2041***

5.3.2. The Council is also preparing a New Local Plan, outlining the Borough's vision and spatial strategy through to 2041. This Local Plan serves the purpose of allocating sites to meet housing, employment and other development needs. It also sets out a wide range of policies addressing critical issues like climate change, good design, infrastructure delivery and the protection and enhancement of our built and natural environments. The emerging Enfield Local Plan is reaching a key stage in its development journey. On 19<sup>th</sup> March 2024, Full Council will meet to go over an extensive draft of the Local Plan. Subject to Full Council's approval, the draft would then be published for a formal statutory 6-week period of public consultation, as required by law. Following the conclusion of this consultation, all responses received, (along with the draft Local Plan and its supporting evidence base) will be submitted to the Secretary of State for an independent examination.

#### ***Medium-Term Financial Strategy***

5.3.3. The Council's Medium-Term Financial Strategy and updated medium-term financial plan is key to the delivery of the Council Plan and outcomes with significant work undertaken to increase the focus on longer term planning, sustainability and financial resilience.

#### ***Climate Action Plan***

5.3.4. Enfield implemented a Climate Action Plan following a declaration of climate emergency in the Summer of 2019. The Plan commits Enfield to becoming a carbon neutral organisation by 2030 and a carbon neutral borough by 2040. The Climate Action Plan 2020 sets out our current carbon emissions (baseline) and the action the Council needs to take to achieve our net zero targets. One of the Council



commitments was to review the Climate Action Plan every two years. A review was carried out and a consultation took place between 5 November 2022 to 30 January 2023 to understand the resident's views or concerns. The Council also used the online platform 'Let's Talk Enfield' to engage with its residents. The Council has drafted a new version of the Climate Action Plan and this will be taken to Cabinet for approval in June 2024.

### ***Fairer Enfield: Equality, Diversity and Inclusion Policy 2021-2025***

5.3.5. This policy sets out how Enfield Council will tackle inequality and foster an inclusive workplace and inclusive communities, as the borough continues to grow, develop and create new opportunities for everyone in Enfield. The policy explains the expectations on our workforce, as we work together to design and deliver services to create a vibrant and inclusive borough. It sets out the Council's role in advancing equality and tackling inequality and discrimination. It impacts on everyone who lives, works, studies in or visits Enfield.

5.3.6. The Public Sector Equality Duty requires us to publish one or more specific and measurable equalities objectives every four years that demonstrate areas where we are tackling inequality. In Fairer Enfield 2021-25, we have identified eight objectives to reduce inequality, which affect specific groups in Enfield. The Council publishes an annual equality and diversity report which summarises the work we have carried out during the year to deliver on the principles and objectives we committed to in Fairer Enfield.

### ***Enfield Joint Health and Wellbeing Strategy***

5.3.7. Local authorities and Integrated Care Boards (ICBs) have equal and joint duties under the Health and Social Care Act 2012 to prepare a Health and Wellbeing Strategy, through their Health and Wellbeing Board. The purpose is to set out how the local system will work together to improve the health and wellbeing of the local community and reduce health inequalities for all. The Health and Wellbeing Board is developing an updated Joint Health and Wellbeing Strategy for the period 2024-30. The draft strategy sets out our long-term ambition for every resident to *start well, live well and age well*.

### ***Principle D- Determining the interventions necessary to optimise the achievement of the intended outcomes***

5.4.1. The Council operates a network of Boards across its operations, including senior management membership. These Boards draw authority from the central Executive Management Team and monitor the delivery of projects and services across the Council including the achievement of expected outcomes, or agreement of action plans where required to ensure outcomes continue to be delivered. The network has been mapped and reviewed to ensure efficiency in operations and that work is not duplicated. The Assurance Board, which is chaired by the Chief Executive, plays a key role in determining whether interventions are necessary in any area of governance and assurance, as does the General Purposes Committee.

## ***Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it***

5.5.1. The Council has a Workforce Strategy: 2023-28. The Council’s vision for the workforce is to have the right people, with the right skills, connected to our communities and working together for Enfield. The Council seeks to deliver this vision by focusing on four key priorities: resourcing and talent, developing its people, culture and transformational change and making its mark on equality, diversity and inclusion.

5.5.2. The Council’s Fairer Enfield Equality, Diversity and Inclusion Policy 2021-2025, outlines the Council’s ambition to be an organisation where local people choose to work and develop good careers; where staff from different backgrounds work together harmoniously and productively and where everyone feels valued.

5.5.3. The Council also operates a comprehensive Performance Development Review system which ensures continuous improvement in both the skills and support provided to officers at every level of the authority. Internal training networks offer a wide range of skill development for employees with specialist training arranged through the Development Review where appropriate.

5.5.4. Finally, staff networks also support the development and capabilities of staff through regular seminars, workshops and learning. A series of leadership and culture workshops and our existing organisational development courses continue to support staff development.

## ***Principle F- Managing risks and performance through robust internal control and strong public financial management***

5.6.1. The Council’s Risk Management Strategy governs the corporate approach to risk management. It is supported by a comprehensive Performance Management Framework, and an annual Internal Audit Plan seeking to address areas of key risk on the Corporate Risk Register. The Corporate Risk Register has been reviewed and now adopts the 13 categories of risk recommended in the Government’s ‘Orange Book’. The risk register was agreed by the General Purposes Committee in 31<sup>st</sup> January 2024. The Council’s Risk Strategy is also currently under review and will soon be reported to the Council’s Assurance Board and to the General Purposes Committee for endorsement.

5.6.2. The Audit Committee function is carried out by the General Purposes Committee (GPC) in Enfield and is a key component of good governance. The Committee are an important source of assurance about the Council arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance.

5.6.3. In 2021-22, the Council commissioned CIPFA to undertake an independent review of the General Purposes Committee against the 2018 CIPFA Audit Committee Good Practice Guide. The review provided assurance on the operation and effectiveness of the GPC with CIPFA confirming that the operation of the General Purposes Committee in the London Borough of Enfield, on balance, works well and to the satisfaction of its members and to officers who support the committee.

5.6.4. The action plan for this year includes reference to the need to review the new global internal audit standards as applied to the public sector. In addition, the Public Sector Internal Audit Standards require the Council to arrange for an external review of the internal audit function every 5 years and that will take place sometime in 2024-25.

5.6.5. Financially, the Council operates planning through its Medium-Term Financial Plan and Capital Programme, with associate Treasury Management Strategy. Operational expenditure is governed by the Contracts Procedure Rules within the Constitution, and the Scheme of Delegation determines the appropriate authority required for different levels of expenditure, ensuring that appropriate oversight of spend is delivered in alignment with the Council's risk appetite. Robust financial management arrangements are more important than ever as local authorities across the UK continue to face significant challenges including increasing demand and cost pressures, uncertain funding and operating in an increasingly complex and unpredictable environment. Unprecedented inflation rises, the associated cost of living increases and the economic environment are magnifying these financial challenges.

5.6.6. Recruitment and retention of key staff to ensure the finance team is suitably resourced and fit for purpose in the current environment and in view of the resources available remains a significant challenge and key area of focus moving forward. In September 2023, a new post of Director of Property was recruited to and the function was transferred to Resources Directorate. This has enabled increased focus on optimising the Councils property assets including capital disposals programme to support financial resilience

5.6.7. Financial resilience describes the ability of local authorities to remain viable, stable and effective in the medium to long term in the face of pressures from growing demand, tightening funding and an increasingly complex and unpredictable financial environment.

5.6.8. The Council continues to make financial sustainability and resilience a key area of focus, with significant work undertaken in previous years to create a robust and sustainable budget to put the Council in a strong position to manage the challenges ahead. Improvements include:

- Ongoing focus on longer term financial planning, with a five-year Medium Term Financial Plan and ten-year Capital Strategy and Treasury Strategy in place.
- A change in our Capital Strategy which has been implemented for 2024-25 medium term financial plan
- Increased focus on capital financing and regular assessment of interest rate risk.
- Review of financial viability and affordability of capital projects with a heightened focus on the impact on revenue budgets.
- Detailed review of the financial model for the Council flagship regeneration scheme, Meridian Water, reported to Cabinet, setting out the optimised financial plan in February 2023 and further revised in March 2024
- Initiation of a strategic review of Council companies.
- Detailed review of the use of reserves including a five-year plan for reserves.
- Introduction of additional internal financial governance and challenge arrangements, including:
  - Pressures Challenge Boards scrutinising revenue budgets
  - Capital Finance Board
  - Weekly Executive Management Team Budget meetings

5.6.9. The Finance and Performance Scrutiny Panel considers the Council's financial and performance monitoring reports and also considered key financial pressure of Temporary Accommodation.

5.6.12. Financial resilience risks and existing risk mitigations are included in the Corporate Risk Register.

***Principle G - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability***

5.7.1. The Constitution is one of the key documents which set out the Council's decision-making arrangement. The Council operates a Leader and Cabinet mode. Some decisions are reserved for Full Council, but most are made by the Cabinet, Committees, Sub-Committees and officers.

5.7.2 All forthcoming Key Decisions are published in the Council's Forward plan published every month on the Council's website and includes details of all key decisions proposed to be made by the Council during the relevant period. If any key decision is not in the Forward Plan, a decision may not be taken within that period unless the report author is able to demonstrate to members and the Monitoring Officers that the conditions under the urgency procedures are met.

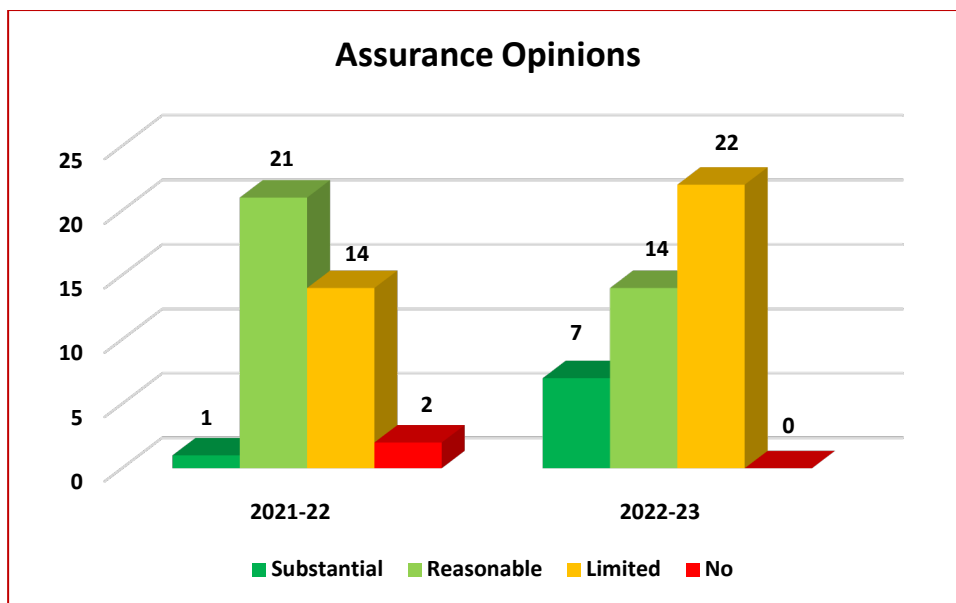
5.7.3. Reports and minutes of meetings are also published on the Council's website.

5.7.4. The Council operates a risk based Internal Audit Plan, which is approved by the General Purposes Committee. The Internal Audit Plan focuses on key areas of risk identified across the organisation from various sources, including the Corporate Risk Register. In line with the Public Sector Internal Audit Standards (PSIAS), progress against the Internal Audit Plan and audit outcomes are reported regularly through the year to the General Purposes Committee. The Head of Internal Audit also delivers an Annual Internal Audit opinion. This was last reported in July 2023 as '**Reasonable Opinion**'. **It was described as:**

***“Reasonable Assurance***

*The opinion of the Head of Internal Audit and Risk Management is that the arrangements for governance, risk management and internal control provided **Reasonable** assurance that material risks, which could impact upon the achievement of the Council's services or objectives, were being identified and managed effectively. Improvements are required in the areas identified in our reports to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control.”*

5.7.5. The number of assurance opinions from audits is shown in the Table below:



5.7.6. Dedicated resource and arrangements are in place to deliver the Council’s statutory transparency and accountability roles within the Freedom of Information and Data Protection Acts, and to ensure full co-operation with all investigations by the Information Commissioner, Local Government & Social Care Ombudsman, and Housing Ombudsman.

5.7.7 The key elements of the governance structures and processes in place are summarised in the table below:

Element	Structure and processes
1. Cabinet and Leader	<ul style="list-style-type: none"> <li>• Provides political leadership;</li> <li>• A key role in delivering the council’s services, proposing the budget, and promoting the Council’s aims and strategic priorities;</li> <li>• Cabinet provides transparent and accountable political leadership. It considers the business detail involved in delivering the Council’s corporate priorities.</li> </ul>

Element	Structure and processes
2. Scrutiny	<ul style="list-style-type: none"> <li>• The Overview and Scrutiny Committee reviews the Council policy and has the power to challenge decisions;</li> <li>• The Overview and Scrutiny Committee and its Scrutiny Panels scrutinise decisions made by the Cabinet, and those delegated to officers, and reviews services provided by the Council;</li> <li>• General Purposes Committee review governance and promote high standards of conduct by councillors.</li> </ul>
3. Decision Making	<ul style="list-style-type: none"> <li>• All decisions are made in compliance with the law and the Council's Constitution;</li> <li>• Formal meetings of the Council are held in public;</li> <li>• Decisions are published on the Council's website.</li> </ul>
4. Risk Management	<ul style="list-style-type: none"> <li>• The Risk Management Strategy ensures proper management of risks and sets out how threats and opportunities faced in the delivery of the Council's objectives are managed;</li> <li>• Risk registers identify both strategic and operational risks. Identified risks are scored according to likelihood and impact, and a traffic light system has been adopted to monitor the effectiveness of mitigating actions agreed. Strategic risks are reviewed by senior management and by elected members prior to and at the General Purposes Committee on a regular basis. The Government's Orange Book approach to risk management has been adopted recently.</li> </ul>
5. Executive Management Team	<ul style="list-style-type: none"> <li>• The Head of Paid Service is the Chief Executive and is responsible for all Council staff and for leading an effective Executive Management Team;</li> <li>• The Executive Director of Resources is the Council's Section 151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money;</li> <li>• The Director of Law and Governance is the Council's Monitoring Officer and is responsible for ensuring legality and promoting high standards of conduct in public life.</li> </ul>
6. Full Council	<ul style="list-style-type: none"> <li>• Full Council is responsible for approving the budget, agreeing policies, making constitutional decisions and deciding local legislation. Full Council elects the Leader for a term of four years, and the Leader appoints a cabinet of up to ten councillors (including him/herself), each holding a specific portfolio of responsibility.</li> </ul>

Element	Structure and processes
	<ul style="list-style-type: none"> <li data-bbox="483 240 2069 384">• The Council's Constitution is updated where necessary throughout the year and sets out how the Council operates. It states which matters are reserved for decision by the Full Council, the responsibilities of the Cabinet and the matters reserved for collective and individual decision, and the powers delegated to panels and committees.</li> <li data-bbox="483 424 2069 568">• The overall Council budget of the Council is set by Full Council and all decisions are made within this framework. The Council's goals are developed alongside the budget. Progress is reviewed by the Leader, lead Cabinet Member for Finance and Procurement, and respective cabinet members. Full Council also monitors its performance through feedback from its residents and service users.</li> </ul>

5.7.8 The Council has robust financial governance arrangements in place to support its decision making; commitment of expenditure, oversight of contracts and its risk management arrangements including:

- Financial regulations which form part of the Council's Constitution, setting out how the Council manages its financial arrangements.
- The Council's Contract Standing Order requirements, which form part of the Council's Constitution, setting out the Council's procurement requirements to ensure that contracts are entered in a compliant manner and deliver value for money.
- The Procurement Team has been restructured to include Category Managers and strengthen the contract management teams, thereby significantly increasing the Council's capacity. Ensuring that effective arrangements are in place for contract management and that procurement processes are delivering value for money. The General Purposes Committee receives an annual report regarding procurement performance.
- Risks and existing risk mitigations and further planned actions are included in the Corporate Risk Register.
- Culture and leadership is a key part of ensuring value for money. CIPFA review identified high-level strengths in the Finance leadership across the Council. This has been further strengthened with additional capacity at Director level in Finance; with one role focussed on commercial and capital programmes, given Enfield's ambitious regeneration plans, the other role focussed on the statement of accounts and the medium-term financial plan.

5.7.9. The Council ensures that it continues to comply with its public sector duties by carrying out Equality Impact Assessments, engagement with service users and with the voluntary sector before making decision which could impact on its residents.



5.7.10. The Council maintains a constant commitment to addressing emergencies promptly and effectively, both locally and across London, 24 hours a day, 365 days a year. Our Emergency Management Response Team is made up of an Emergency Planning Officer, a Council Gold (covered by the Chief Executive, an Executive Director or the Director of Environment and Operations), a Council Silver (covered by a Director), alongside 11 supporting staff, totalling 14 personnel. This structured framework has been in place for a significant duration, ensuring resilience and readiness. All members of the Council Gold and Silver teams have undergone specialised training at the Emergency Planning College. Compared to other local authorities, our emergency response process is notably comprehensive, which ensures we minimise potential delays in responding to emergency situations. Furthermore, the Council implements a robust Business Continuity Management process, encompassing policy, framework and the Corporate Business Continuity Plan. We conduct Business Impact Analysis and develop Business Continuity Plans for all critical services to ensure operational continuity during emergency situations. The Council continues benchmarking against the London Resilience Standards, our recent self-assessment indicates significant progress, with confidence in meeting standards and a commitment to pursuing excellence moving forward. A new approach has been adopted in relation to BCM plans and impact analysis and this will be implemented over the coming year.

5.7.11. A review was recently undertaken of the process for officer decisions and this has led to greater transparency and openness and increased oversight and awareness by the Executive Management Team. A central recording system will be implemented internally for non-key officers' decisions. A SharePoint library will be set up and each Directorate will be required to record details of the decision and upload their reports.

5.7.12. In November 2022, an independent peer team of officers appointed by the Local Government Association conducted a Corporate Peer Challenge (CPC) at Enfield Council. The CPC considered five key areas: local priorities and outcomes; organisational and place leadership; governance and culture; financial planning and management; and capacity for improvement. Following the CPC, the peer team produced a report which made 10 recommendations for areas where the Council could make improvements. In response to the 10 recommendations, the Council produced an action plan.

5.7.14. In November 2023, the peer team returned to Enfield Council to review progress made against the recommendations. Overall, the peer team commented the Council had made good progress against the recommendations identified by the CPC. The progress report also highlighted areas where further work could be focused to consolidate achievements and push forward with actions that could increase organisational resilience and secure further positive outcomes. The report will help to inform service planning for the 2024/25 financial year.

5.7.15. An internal audit on Members' Ethics and Supporting Members was issued in February 2023 with **Substantial Assurance**. The internal audit found:

- There was a consistent understanding of how Councillors should behave, and high ethical standards were adopted which promote public confidence in democracy.
- Actual or perceived conflicts of interest were identified and safeguarded against to ensure independence and objectivity and promoting public confidence.
- High ethical standards were promoted and maintained.
- Complaints were dealt with quickly and efficiently; the Independent Person was consulted where necessary; breaches were dealt with in accordance with the Council's procedures.
- Members received appropriate support to assist in fulfilling their roles and responsibilities.

5.7.16 The Council has an Enfield Safeguarding Adults Board (SAB) which is multi-agency partnership concerned with the safeguarding of adults who are at risk in Enfield. It has an independent chair, Geraldine Gavin; and a business unit that is joint with the Safeguarding Children's Partnership. A five-year strategic plan is being developed by the Enfield Safeguarding Adults Board and will be published in March 2024. The strategy consultation involved reaching out to voluntary sector organisations and presenting at the Faith Forum and VCS Board in order to both raise awareness and seek feedback. The strategy sets out three priority areas:

- Prevent abuse;
- Protecting adults at risk
- Learn from Safeguarding Adults Reviews and other cases

The SAB also has an Executive meeting, and a Practice Improvement group. The Independent Chair also chairs these meetings.

## **6. Review of effectiveness**

6.1. The effectiveness of governance arrangements is monitored and evaluated throughout the year and activity undertaken includes:

- Consideration of governance issues by the Executive Management Team, the Assurance Board and Departmental Management Teams including risk registers, counter fraud updates and internal audit reports.

- Preparation of a rolling plan of audit coverage provided by the Head of Internal Audit which is primarily based on an assessment of the Council's risk profile.
- The Annual Audit Opinion which is provided by the Head of Internal Audit.
- Ongoing assessment of internal management processes including performance management and compliance monitoring.
- The work of the Council's governance boards and working groups, including the Executive Management Team, the Assurance Board, other Management Boards, Departmental Management teams and working groups (e.g. the Risk Management Group).
- The independent views of regulatory inspection agencies such as Ofsted and the Care Quality Commission.
- The views of external auditors regularly reported to the General Purposes Committee including regular progress reports and the Annual Audit Letter.
- The work of the General Purposes Committee which includes ensuring best practice in corporate governance is applied across the Council.

6.2. The Council operates an Internal Audit Plan to review the effectiveness of its governance in specific areas. The development of the audit plan targets those areas considered to be higher risk for the Council and for residents. Due to this, the likelihood of negative assurance levels on individual audits increases, as any control weakness identified will be proportionally more significant in high-risk areas. The methodology of financial auditing continued to encompass comprehensive whole system reviews of key financial processes. Schools are audited on a rotational basis.

#### Other significant governance actions taken during the year

6.4. The Council's statutory officers (Head of Paid Service, Section 151 Officer, Monitoring Officer) meet regularly as part of a wider Assurance Board to consider strategic and operational risk. The Board's work programme cycle is refreshed to respond to emerging risks. Examples of this include preparation for the CQC inspection of Adult Social Care, risks and response to damp and mould in Council housing, cyber security and corporate security, Martyn's law and insurance market challenges. Actions from this board are monitored.

6.5. The Corporate Risk Register was reviewed and updated regularly by senior management, reported to the internal Assurance Board and the General Purposes Committee on a six-monthly basis. With the ongoing economic uncertainty, high inflation and interest rate increases coupled with the cost-of-living crisis, risk scores were re-assessed and revised where appropriate.

6.6. The Government’s Orange Book approach to risk management was adopted during 2023-2024.

Statement of Accounts Delays in External Audit

6.7. There are delays in the external audit of the Council’s Statement of Accounts for 2019/20, 2020/21, 2021/22 and 2022/23 which remains of serious concern to the Council and to members of the General Purposes Committee. The Council continues to drive improvements in its Statement of Accounts processes in preparation for the finalisation of these audits. The external auditor, BDO, has re-started work on the 2019/20 accounts and expect to have finalised this during 2024.

## 7. Governance issues

The Council has undertaken an assessment of governance issues and actions to address them. The table below provides an update on issues identified previously where relevant and describes the additional governance issues that have been identified and will be addressed over the coming year.

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
Financial Resilience	<p>The financial climate continues to be a challenge for the Council due to the impact of inflation, service demand increases and the impact of the wider economic circumstances and risks. The financial year 2023/24 closed with a forecast significant depletion in risk reserve levels.</p> <p>The cumulative impact of the general economic conditions, inflation and construction price inflation, and interest rate rises require close monitoring of the budget and reviewing the medium-term financial plan assumptions. In particular, the scale of the temporary</p>	<p>Financial resilience remains a top priority. There are three live work streams to focus the organisation on addressing the financial challenges: <i>stabilise</i> the current financial year, <i>save</i> for the future years and longer term <i>transformational</i> focus. These workstreams span capital and revenue budgets and progress is being driven through the new Finance Resilience Board programme.</p> <p>Progress will be reported in the autumn as part of the monitoring and budget setting cycles.</p>

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
	<p>accommodation cost pressure is resulting in an in year significant financially challenging position. Further the future budget gap remains significant as anticipated funding levels fall short of the forecast increased cost pressures.</p>	<p>The Council has £3m contingency annual budget. This reduced level of reserves brings sharp focus on the in year financially challenging position.</p> <p>The Capital Strategy planned for autumn 2023 will focus on financial resilience responding to the current economic climate. This revised Strategy has positively impacted on the budget by reducing capital expenditure and minimising new borrowing. The strategy was agreed at Cabinet in the autumn with a revised programme agreed at Council in February 2024.</p> <p>Given the pressures on the HRA business plan, ongoing monitoring of the business plan is recognised as a mitigation to increasing risks around inflation on costs, caps on income and higher levels of debt. An MRP charge has been introduced for the HRA from 2024/25 to support financial resilience.</p> <p>The Dedicated Schools Grant (DSG) deficit in in 2023/24 is expected to be £2.6m arising from High Needs cost pressures. The cumulative DSG deficit, at the end of 2023/24 is £18m. In response to the significant accumulation of DSG deficits nationally, the Department for Education have developed two programmes, the Safety Valve programme, which targets Councils with the highest deficits and the Delivering Better Value (DBV) programme The Council is part of the DBV programme which provides support to 55 Councils with significant deficits.to produce an</p>

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
		<p>action plan to reduce the debt, however, additional funding is not provided as part of this programme.</p> <p>The new Council Plan provides a renewed strategic direction for the Council as it continues to invest in the borough to deliver positive outcomes for residents. The Plan emphasises the need for financial resilience and moving to a position where we are less reliant on central government funding and instead resourced more by funding generated in-borough and through inward investment using levers such as our Local Plan.</p>
Financial Impact	<p>The Council continues to operate in an environment of considerable uncertainty and financial challenge. The potential financial impact of the ongoing challenges in 2023/24 and future years continues to be a significant area of concern and ongoing focus through the Council's budget setting and in year budget monitoring processes.</p> <p>The Council continues to focus on financial planning through the regular review and updating of the Medium Term Financial Plan to reflect any known significant changes and the estimated financial implication and put in place mitigating actions where possible.</p>	<p>Looking forward to 2024/25 the Council has a number of workstreams underway in response to the financial challenges, these were set out in the Section 25 statement: including focussing on increasing cost controls in year, and starting the budget process early for 2025/26.</p> <p>Monitoring the implementation of the new council tax support scheme is a new area of risk for 2024/25 which will be closely monitored.</p>
Increase in Service Demand	The key areas of budget pressure that continue to be felt in the Council's demand driven services include:	Actions taken in relation to Adults and Children's Social Care:

Governance Issue/ Area of Focus	Overview	Update and further actions planned
	<ul style="list-style-type: none"> <li>• Adults and Children’s Social Care, specifically Learning Disabilities and Older People and people with physical disabilities services</li> <li>• Homelessness services, specifically the provision of Temporary Accommodation.</li> </ul> <p>Homelessness is a key area of concern with the Council experiencing unprecedented demand from residents losing their homes. This is at a time when the private rented sector is contracting, rents are rising and there is a severe shortage of affordable privately rented homes across the whole of the southeast of England. The supply of temporary accommodation has also fallen, meaning that the service has been dependent on commercial hotels and shared accommodation.</p>	<ul style="list-style-type: none"> <li>• Service transformation work in planning for in-house services (transport, enablement) and single point of access for adults with physical disabilities and older people.</li> <li>• Review of positive behaviour support offer and market development for adults with learning disabilities.</li> <li>• Transformation of community mental health services in partnership with NCL ICB and the North London Mental Health partnership.</li> </ul> <p>New actions for 2024/2025:</p> <ul style="list-style-type: none"> <li>• preparation for the reintroduction of regulatory inspections for Councils with Adult Social Care responsibilities – Programme board in place with sub-groups covering all key areas with regular updates to EMT and Scrutiny Panel as well as member briefings.</li> </ul> <p>The level of demand on key services will continue to be closely monitored in 2023/24, with mitigating actions put in place where possible.</p> <p>A new approach to maximise the opportunities for residents to secure affordable accommodation in the light of increased pressures on accessing temporary and affordable housing in the borough is being developed, with a new service model and a revised placement policy proposed in 2023/24.</p>

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
		<p>Potential governance issues and risks associated with the increases in service demand will be monitored closely in these key areas.</p>
Information Governance	<p>The Council requires adequate security controls and processing of its data and information in order to provide excellent protection of data and service to customers in regard to its duties under the Data Protection and Freedom of Information Acts.</p>	<p>The Cyber Security function has an ongoing monitoring and work plan to further enhance the Council's data security. This is reported to the GPC.</p> <p>The cross-council information governance board is in place and meets regularly.</p>
Subsidiary Company Strategy	<p>The Council's subsidiary companies deliver services to assist in provision to residents However, they represent significant investment from the Council, and it is therefore appropriate that their use and role in the Council's holistic approach to service delivery is reviewed at regular intervals.</p>	<p>The Council has commissioned independent strategic reviews of its companies, to shape and inform the MTFP.</p> <p>A quarterly review of the Council companies is reported to Cabinet, increasing robustness and transparency of reporting.</p>
Statement of Accounts	<p>Statement of Accounts 2019/20, 2020/21, 2021/22 – audit outstanding</p> <p>The Council Statement of Accounts for 2019/20, 2020/21, 2021/22 and 2022/23 audit has been delayed.</p>	<p>The General Purposes Committee receives regular updates on the progress of the accounts external audit and the improvements in the Council's processes.</p> <p>The corporate finance function has been restructured to build in resilience. The corporate team has had significant impact on the quality of work undertaken and drive to embed improved processes.</p>



<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
		<p>In this context of unaudited Statement of Accounts, assurance around the credibility of the finance function is sought from alternative sources including: internal audit, reviewing of public interest reports and assessing LBE in the light of these, the CIPFA FM independent review, external reviews such as our MRP policy (February 2022); training for all Housing and Finance colleagues on HRA financing (this was in response to public interest reports in other councils).</p>
<p>Purchase Cards</p>	<p>Purchasing goods via the Council's main purchasing system, Neptune, is the Council's preferred method to pay and purchase goods and services. However, Purchase Cards (P Cards) were introduced some years ago to enhance the purchase to pay process, providing an easy and flexible alternative for buying small spend items.</p> <p>The Council's Financial Regulations and Contract Procedure Rules set out the guidelines that officers must comply with when purchasing goods and services on behalf of the Council.</p> <p>The number of P Cards in circulation increased during the coronavirus pandemic. The period over the pandemic necessitated greater flexibility and the ability to support residents.</p> <p>An internal audit of the P Card process was issued with limited assurance and identified non-compliance with P</p>	<p>As a direct and immediate result of the audit, additional measures were introduced to improve the level of compliance, which resulted in improved compliance.</p> <p>Considerable work has now taken place to tighten the policy and rationalise the number of cards in circulation by almost half and reduce/homogenise card limits. These changes ensure improved compliance and control going forward.</p>

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
	Card policy and procedures and a risk of fraudulent transactions taking place.	
Improving communication on budget matters and improving links to the Council Plan	<p>The importance of culture in financial resilience is well documented in public interest reports.</p> <p>Although CIPFA FM scored well on leadership. The Corporate Peer Review identified opportunities to improve communication on budget to the wider organisation.</p> <p>Clearly link our Medium-Term Financial Plan to our new Council Plan.</p>	<p>Development of a wider communication approach for the 2024/25 budget strategy is underway to drive consistency of messaging throughout the organisation. This includes clear messages on budget holder accountability.</p> <p>In addition, a briefing session will be undertaken for all budget holders to ensure they understand their roles and responsibilities. This will include the outcome of a review of departmental schemes of delegation programmed in this year, communicated to the wider organisation.</p> <p>Further actions are underway to link the MTFP and the new Council Plan, recognising that the MTFP is integral to the implementation of the Council Plan.</p>
Housing Assurance Framework	<p>The Council has developed a new assurance framework covering the Council Housing Service to ensure conformance with the new regulatory framework for social housing.</p> <p>The number of reported cases relating to damp and mould or conditions that increase the risk of damp and mould has been included in the corporate performance report.</p>	The new assurance framework was approved by Cabinet in February 2023 enabling transparency and oversight of performance. The framework will help ensure that the service meets the proposed changes to the Social Housing Regulation and the four consumer Standards by reporting in a transparent way on performance.

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
		<p>The framework will mitigate the risks associated with non-compliance against the Housing Regulators consumer standards using a three lines of defence model aligned to the key risks which may prevent compliance with the regulatory standards and to provide stronger governance structure around the Consumer Standard.</p> <p>The Council Housing workplan for 2024/2025 has been developed to embed and monitor all requirements of the Assurance Framework and to ensure these are maintained or updated when appropriate.</p> <p>A review of our approach to the new addition of Damp and Mould has seen improvement actions implemented</p>
Procurement	The Council will review its procurement policies and procedures to ensure they reflect the new procurement rules expected to be introduced in October 2024.	
Constitution	The Council will review its Council Procedure Rules to ensure they are up to date and support the democratic process.	

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
	We will create a work programme for the review of the various codes and policies contained within the Constitution to ensure they are up to date and fit for purpose.	
Support for Democratic process and members	This will include an annual review of political balance and an annual review of members allowances	
Overview and Scrutiny Committee	The Council will review its scrutiny structure to ensure it reflects the Council's policies.	
Health & Safety	Review the effectiveness of the Council's arrangements to manage the H&S and well-being of staff, visitors and others.	
Covert Surveillance	Make improvements to the way we oversee and manage use of the RIPA powers and the way we store and manage information obtained as a result thereof. This follows the self-assessment undertaken in March 2024 and submitted to the IPCO.	
Code of Practice on Good Governance for Statutory Officers.	This new code adopted by CIPA, SOLACE and LLG will be reviewed and considered in the coming year.	

<b>Governance Issue/ Area of Focus</b>	<b>Overview</b>	<b>Update and further actions planned</b>
Risk Management	The Council's Risk Strategy is currently under review and will soon be reported to the Council's Assurance Board and to the General Purposes Committee for endorsement. We will also consider how to better embed the culture that 'everyone is a risk manager' across the organisation.	
Global Internal Audit Standards	We will review the new global internal audit standards as applied to the public sector.	
5 year review of the Internal Audit Function	The Public Sector Internal Audit Standards require the Council to arrange for an external review of the internal audit function every 5 years and that will take place some time in 2024-25.	
Business Continuity Management	A new approach has been adopted in relation to BCM plans and impact analysis and this will be implemented over the coming year.	

## Conclusion

The Council is satisfied that appropriate governance arrangements are in place. We propose over the coming year to take the steps to address the matters identified above to further enhance our governance arrangements.

**Signed on behalf of Enfield Council:**



**Ian Davis**

**Chief Executive**

**Date: 23 May 2024**



**Councillor Nesil Caliskan**

**Leader of the Council**

**Date: 23 May 2024**