

LONDON BOROUGH OF ENFIELD

ANNUAL GOVERNANCE STATEMENT 2018/19

Scope of Responsibility

The London Borough of Enfield (“the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council 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 its overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Council has in place a governance framework, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Council has complied with its governance framework and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1)(a), 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 its communities. 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 services and value for money.

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

Through refreshing the Annual Governance Statement each year, we review our existing arrangements, maintain our local structure, policies and monitoring arrangements to ensure that we are compliant with the requirements of the legislation.

The governance framework has been in place at the Council for the year ended 31 March 2019 and up to the date of approval of the annual report and statement of accounts.

The Governance Framework

A brief description of the key elements of the governance framework the Council has in place can be found on the Council's website via the link <https://new.enfield.gov.uk/>.

Actions during 18/19 to improve Governance

A brief description of some of the actions undertaken to improve governance during 18/19 is provided below-

The introduction of the Capital Board chaired by the Director of Finance and attended by Directors who have responsibilities for delivery of the capital programmes. The purpose of the Board is to maintain strategic overview of the capital programme, its affordability and ensuring good governance of capital decisions and monitoring of the programme. Further, in February 2019, Cabinet agreed the Capital Strategy (a new CIPFA requirement) which is a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

<http://governance.enfield.gov.uk/documents/s73345/Capital%20Estimate%20and%20Strategy%202019-20%20to%202022-23.pdf>

In April 2019 the robustness of the governance of the council's companies has been improved through the introduction of the Shareholder Board, as agreed by Cabinet. The Terms of Reference explains "the role of the Shareholder Board (a sub-committee of Cabinet) will be to exercise governance of and provide strategic direction for the companies on behalf of the Council's Cabinet." The work of the board for its first year is set out in a report to the SHB and for cabinet 2nd April; the activities included for example, regular reporting and challenge of company performance, submission of annual business plans, agreeing a job description that will apply to Councillors acting as company directors to improve role clarity, and reviewing the companies reserved matters. Work is currently ongoing to further develop and strengthen operational relationships with the Council's companies through the approval of Shareholder Agreements.

<https://governance.enfield.gov.uk/documents/s73928/SHB%20Annual%20Report%20to%20Cabinet%20v3.pdf>

In addition, a new Commercial Board has been set up during 2019-20, this board is the sponsor of the Council's recently adopted Commercial Strategy, vision, benefits and objectives. It provides support and oversight for development, delivery and monitoring of the pipeline. It also acts as champion for the desired culture promoting entrepreneurialism, resilience and innovation. The board

provides governance for commercial opportunities identified and is chaired by the Director of Commercial and attended by Directors from across the council.

In 2018/19, the ICT Service has continued to build on its Service Management Governance improvements that is started in 2017/18. 40 out of 44 recommendations are now implemented and key improvements embedded into service delivery, including in 2018/19 a new ICT procurement process and new customer focussed performance monitoring. We now have a good base to build our service management improvements upon and having completed their review SOCITM commented that 'the outcome is a set of robust processes that will ensure that your users should receive a consistent, quality service. From other organisations that I have been called in to perform similar work for, Enfield is light years ahead.'

The Monitoring Officer meetings ceased at the end of 2017 and replaced by the Assurance Board in January 2018. The Chief Executive chairs the board with the Interim Executive Director of Resources, Director of Law and Governance, Head of Legal Services, Head of Internal Audit and Risk Management in attendance.

The objective of the board is to ensure the statutory duties of the Council are effectively discharged. The key responsibilities are to oversee, scrutinise and hold to account the discharge of the statutory duties of the Council. Officers are invited to attend to the board to provide updates on particular areas such as, risk management and audit assurance, information governance and security, including data protection and freedom of information; safeguarding responsibilities for Children and Adults; Corporate Parenting, Health and Safety, including Corporate Landlord obligations; Council involvement in Companies and Governance procedures.

The Constitution is being reviewed and updated in a phased approach over the year, this will ensure that members are familiar with the changes as they are introduced. A comprehensive review of the Council's Scheme of Delegation will take place in parallel with this.

The new arrangements for Safeguarding Children in Enfield, which will be going live by September 2019, are required by the Working Together to Safeguard Children Act 2018. In these new arrangements, there will an Executive Group (this small group is made up of most senior officers from Enfield Council, Enfield CCG, and Police, who are the Safeguarding Partners) and will be Chaired by an Independent Scrutineer (who is the Chair of the current Enfield Safeguarding Children Board).

The Independent Scrutineer will also attend the Partnership meeting. This will have similar membership to the current Safeguarding Children Board, and the Independent Chair will probe and test what the Council, Police, CCG and relevant partners are doing to safeguard children and young people. The Independent scrutineer will be providing their own statement as part of the annual

reporting process. These scrutiny elements are in line with best practice as identified by areas who were early adopters who have tested different ways of organising the arrangements.

The Learning and Development programme will support the Council's key initiatives over the coming years, such as the new behaviours identified through the cultural audit, ongoing development of staff including new recruits moving into post and staff retention initiatives to support the Council's organisational review.

The apprenticeship levy provides an ideal opportunity for the Council to provide career progression options for staff in hard to fill positions. The development of a number of apprenticeships continues to gather pace with teaching and social work apprenticeships on the way. The Council will need to align the provision of apprentices for internal staff with career grades as part of its recruitment and retention strategy for hard to fill positions.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness for 2018/19 is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit & Risk Management's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Audit & Risk Management Committee, which provides independent assurance to the Council on risk management and the design and effectiveness of the internal control arrangements that the Council has in place, carried out a self-assessment of its effectiveness to consider compliance with the standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) publication 'Audit Committees: Practical Guidance for Local Authorities & Police' (2013 edition) during 2017/18. An action plan for improvement was agreed. A further self-assessment of effectiveness will be carried out during 2019/20.

The annual report of the Audit & Risk Management Committee, covering the programme of work completed during 2018/19, shows that the Committee has undertaken its role effectively covering a wide range of topics and ensuring that appropriate governance and control arrangements are in place to protect the interests of the Council and the community in general.

The Performance Management Framework has operated effectively during the year. Quarterly corporate performance reports detailing monitoring information on key areas of performance were provided to Cabinet for information. Performance management outputs were also reviewed by the Executive Management Team and Department Management Teams across the Council.

Through the monthly Assurance Board meetings, chaired by the Chief Executive, the Council maintained a well-established and effective process for reviewing and monitoring the effectiveness of governance and internal control compliance issues across the Council. Such matters were also reported on a regular basis to Members of the Audit & Risk Management Committee, who requested officers to attend with a view to challenging them on improvements made in areas of concern.

The Risk Management Service met with senior management regularly to discuss key risks affecting both their specific and other areas across the Council, and provided challenge, support and training where necessary on the management of such risks.

The opinion of the Head of Internal Audit and Risk Management is that the arrangements for governance, risk management, 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. This is based on the work undertaken by the Internal Audit team during 2018/19. However, there are some areas of inadequacy or non-compliance that potentially put the achievement of objectives at risk. Some improvements are required in those areas to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control.

Significant Governance Issues

The areas identified for improvement during 2018/19 are detailed in the table below.

| Area of Focus | Progress | Status |
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| <p>Housing Supply and Homelessness</p> <p>Welfare reforms including reductions in Housing Benefit, Local Allowance Caps and disability benefits could see landlords refusing to let homes to tenants on benefits leading to an increase in homelessness. Universal credit capped at £26,000 and housing costs paid direct to tenants further threatens the supply of available housing.</p> <p>Demand for housing remains an issue with more than 3000 households in temporary accommodation. As</p> | <p>The Service Delivery Plans and budgets for supporting the Council's ambitions for eradicating homelessness, rough sleeping and temporary accommodation are now under a new Director for Housing and Regeneration.</p> <p>A new Homeless Prevention and Rough Sleeping Strategy is in development this year and will sit alongside a new Housing Strategy, also in development, which includes plans for increasing housing supply.</p> <p>The Homelessness Service remains under significant pressure with 3416 households living in temporary</p> | <p>This remains an area of risk for 2019/20.</p> |

| Area of Focus | Progress | Status |
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| <p>Enfield has continued to offer relatively cheap housing compared to other London boroughs, some of the supply has been used by other boroughs to meet their needs for temporary accommodation. However, the rate of increase in cost has been slowed as measures to increase supply, such as Housing Gateway and Enfield Innovations, have kicked in.</p> | <p>accommodation at 31 December 2018.</p> <p><u>Demand</u> Demand for services has risen as a result of housing and welfare reforms including the Homelessness Reduction Act 2017 reforms which places more duties on Council's to prevent and relief homelessness.</p> <p>Between April – December 2018, 2,714 households approached the Council's Homelessness and Prevention Services. The biggest proportion of approaches were from private rented tenants (42%), the second highest cause was family & friend ejections (31%). 27% were homeless (Relief) assessments.</p> <p><u>Budgets and Costs</u> The Homelessness Service is expected to have a net cost to Enfield in 2019/20 of £5.1m which is a reduction in budget of £2.7m compared to 2018/19. The service benefits from Flexible Homelessness Support Grant income of £7.1m to help prevent and relieve homelessness in the borough. Enfield is also in receipt of a number of smaller grants to help with homelessness and rough sleeping which are expected to total £1.03m in 19/20.</p> <p>A stronger commercial focus is being taken to reduce costs.</p> <p><u>Service functionality</u> A core team of inhouse staff deliver frontline assessment, casework services to prevent homelessness through tenancy sustainment, mediation and support including help to maximise their income and find alternative accommodation. Tenants in TA are also provided with</p> | |

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| | <p>support to move and find a new home.</p> <p>Multi agency prevention partnership arrangements are in place with statutory and voluntary sector organisations. They include services and interventions for maximising income and supporting those at risk from domestic abuse, hospital and prison discharge, rough sleeping and support for care leavers</p> <p><u>Outcomes April – Dec 2018</u></p> <ul style="list-style-type: none"> • 304 priority need households prevented from going into TA through tenancy sustainment, mediation and advocacy • 233 priority need households were recorded as delayed from going into TA for between 1 week - 5 months. • 211 Homefinder Private Rented Scheme tenancies set up for preventing homelessness and the use of nightly paid accommodation • 168 households moved from TA since April 2019 through the 'Move on' to PRS project • 16 households moved into Housing Gateway properties • 67 Households moved into refurbished Decant properties used as private lets since November 2018. <p>The new Directorate was also successful in in bidding for over £1m grant funding from MHCLG for private sector rent in advance / deposits and additional staff to tackling rough sleeping / unlawful encampments.</p> <p><u>Additional plans for reducing TA include</u></p> <ul style="list-style-type: none"> • Setting up a multi-agency Homelessness Partnership Board to increase statutory and voluntary sector | |

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| | <p>engagement, build capacity and maximise all community resources for addressing homelessness</p> <ul style="list-style-type: none"> • Strengthen casework to defend possession proceedings where private tenants are at risk of eviction (Court based scheme involving Enfield and RCJ CAB • Converting TA to private lets where possible using Gateway Company | |
| <p>Children and Families Act 2014</p> <p>All aspects of this act have been implemented except for the regional adoption agency arrangements for London.</p> | <p>Cabinet have agreed to Enfield joining the North Central London Regional Adoption Agency. This will become operational from September 2019</p> | <p>No longer a governance risk.</p> |
| <p>Child Protection</p> <p>There are inherent risks to managing risks to vulnerable children which cannot be eliminated entirely. However, the Council has established systems in place as well as checks and balances to ensure that risks to vulnerable children are minimised.</p> | <p>A mock inspection was completed during August 2018. This was followed by a “focussed visit” by Ofsted during September 2018 and a two-week full inspection of children’s services during February/March 2019.</p> <p>New legislation compels local areas to deconstruct local safeguarding children boards and to replace them with new “Multi-agency Safeguarding Arrangements by July 2019. This will be achieved.</p> | <p>No longer a governance risk.</p> |
| <p>Energetik (previously Lee Valley Heat Network) - Estate Renewals and Meridian Water Interdependencies</p> <p>The Council puts in place governance and/ or processes to support both itself and the Company to work across a series of interrelated projects such that the Council can consider and manage its overall security and investment risk exposure in a joined up way.</p> | <p>The Interdependency Board has been established and continues to meet to monitor the interdependencies between the projects and to assess the overall impacts on the council.</p> <p>The board has also helped to build relationships across the 3 projects and joint working on opportunities as well as challenges.</p> | <p>This remains an area of risk</p> |

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| <p>Youth Justice Reforms</p> <p>As part of a review of youth justice, it was recommended that young offenders should serve their sentences in secure schools rather than youth prisons. Smaller, local, secure schools would draw on educational and behavioural expertise to rehabilitate children and give them the skills they need to thrive on release. The final report will be published in July 2016 and could have significant implications for the Council</p> | <p>Options for secure schools are being explored in West London and East London</p> | <p>No longer a governance risk.</p> |
| <p>The Children and Social Work Act</p> <p>The Bill received royal assent on 27th April 2017 and is now an act of parliament. The Act includes provision about looked-after children and care leavers, local arrangements for safeguarding of children, regulation and training of social workers, compulsory relationships education for primary school pupils in England and sex and relationships education for secondary school children.</p> <p>The impact upon services is being reviewed.</p> | <p>Some additional funds were secured to off-set additional expenditure.</p> | <p>No longer a governance risk.</p> |
| <p>Universal Credit The impact of the implementation of Universal Credit to be reviewed</p> | <p>As requested by the Audit Committee meeting of 6 December 2018 an update was given on the implementation of Universal Credit in Enfield and the associated risks. The programme management board, that was supporting the rollout of Universal Credit in Enfield, concluded in June 18. The DWP rollout across the borough is now complete with all three Job Centre Plus offices ‘live’ for the administration of Universal Credit. Universal credit is now business as usual for the services across the council as local resident’s</p> | <p>This remains an area of risk</p> |

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| | <p>transition across to this benefit. Managed migration, that was due to start nationally from July 19, is now being piloted in Harrogate with an aim for national roll out from the end of 2020. It is assumed that the Audit Committee will wish to continue to receive information about the impact of this benefit on local residents, the effect on the administration of Housing Benefit and the effect on income recovery - particularly on housing rents and the recovery of housing benefit overpayments. It was also noted that Universal Credit is administered by the DWP and therefore access to some information is subject to availability from that Government department.</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 (Significant Governance Issues) and will monitor their implementation and operation as part of our next annual review.

Signed:

Signed

Leader of the Council

Chief Executive