

## ANNUAL GOVERNANCE STATEMENT 2019/20

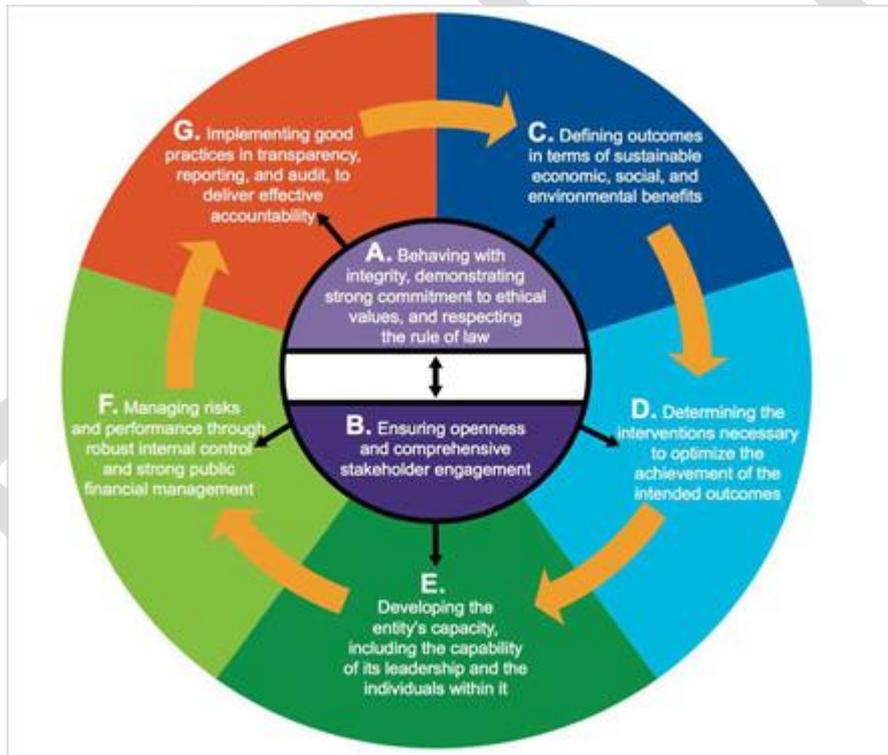
### INTRODUCTION AND ACKNOWLEDGEMENT OF RESPONSIBILITY

Enfield Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement.

### THE PRINCIPLES OF GOOD GOVERNANCE

The CIPFA/SoLACE Delivering Good Governance<sup>1</sup> publication (2016) defines the principles of good governance in the public sector. The document sets out the core and sub principles that underpin the good governance framework, explains how the Council's governance arrangements operated in practice during 2019/20, and to demonstrate how the CIPFA/SOLACE Framework has been applied. The CIPFA/SoLACE core principles are:



### KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS

The governance framework is incorporated into this Annual Governance Statement for the year ending 31 March 2020 and is up to the date of the approval for the statement of accounts.

<sup>1</sup> <https://www.london.gov.uk/moderngovopdc/documents/s58145/Item%206b-%20Appendix%20A%20CIPFA%20Delivering%20Good%20Governance%20in%20Local%20Government%20Framework.pdf>

## Overview of the Council's governance framework

1. Council, Cabinet and Leader:
  - Provide leadership, approve the budget, develop and set policy;
  - Approve the constitution which sets out how the Council operates;
  - Agree the Council's plans & priorities and developed where appropriate in consultation with residents and stakeholders.
2. Scrutiny
  - Scrutiny reviews the Council policy and has the power to challenge decisions;
  - Member and Democratic Services Group and Audit & Risk Management Committee review governance and promote high standards of conduct by councillors
3. Decision Making
  - All decisions are made in compliance with the law and the Council's Constitution
  - Where possible all meetings are held in public
  - Decisions are recorded on the Council website
4. Risk Management
  - 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
  - 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 every Audit & Risk Management Committee.
5. Executive Management Team
  - The Head of Paid Service is the Chief Executive and is responsible for all council staff and leading an effective Executive Management Team
  - 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
  - The Director of Law and Governance is the Council's Monitoring Officer who is responsible for ensuring legality and promoting high standards of conduct in public life.

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 special portfolio of responsibility.

The Council's Constitution is updated where necessary throughout the year and sets out how the Council operates. It states what matters are reserved for decision by the whole council, the responsibilities of the cabinet and the matters reserved for collective and individual decision, and the powers delegated to panels and committees

The Monitoring Officer ensures that all decisions made are legal and supports the Council in promoting high standards of conduct amongst members.

The Overview and Scrutiny Committee and its scrutiny workstreams scrutinise decisions made by the Cabinet, and those delegated to officers, and review services provided by the Council. The scrutiny officers promote and support the council's scrutiny functions.

The Cabinet provides transparent and accountable political leadership. It also takes away a lot of the business detail involved in delivering the Council's corporate priorities. This frees up time for the majority of councillors to exercise their ward councillor role. It enables them to focus on how the Council delivers services on the ground.

The overall budget of the Council is set by the 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. The Council also monitors its performance through feedback from its residents and service users.

## GOVERNANCE ISSUES

### Areas of significant change since the Annual Governance Statement 2018/19

The areas identified as for improvement in the Annual Governance Statement 2018/19 and the progress made on this are detailed in the table below:

Area of Focus	Progress	Status
<p><b>Housing Supply and Homelessness</b></p> <p>Welfare reforms including reductions in Housing Benefit, Local Allowance Caps and disability benefits could see landlords refusing to let homes to tenants</p>	<p>A new Homeless Prevention and Rough Sleeping Strategy was agreed this year alongside a new Housing Strategy.</p> <p>The Homelessness Service remains under significant pressure with c 3500 households in temporary accommodation. This makes us the second highest provider of temporary</p>	<p>No longer a governance risk</p>

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.

Enfield has experienced a 246% increase in homelessness acceptances between 2010 and 2017 compared with a 35% rise in London.

accommodation in England.

We have also seen a significant rise in rough sleeping since 2017, giving us the fourth highest rough sleeper count in London in 2018.

#### Demand

The demand for homelessness services in Enfield arises from a combination of low wages, constricted housing supply, and high private rented sector rents.

#### Budgets and Costs

The Homelessness Service had a provisional net cost to Enfield in 2019/20 of £5.86m which is a decrease on previous years, with significant savings being achieved. The budget for 20/21 is £4.07m. 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 totalled £1.2m in 19/20.

#### Service functionality

During 19/20 an entirely new service model has been developed and approved for implementation in 20/21. This new model of a Housing Advice Service places more focus on prevention of homelessness through advice and sustainment of tenancies. We continue to work with tenants in TA to provide them with support to move and find a new home.

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><b>Energetik (previously Lee Valley Heat Network) - Estate Renewals and Meridian Water Interdependencies</b></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>	No longer a governance risk
<p><b>Universal Credit</b></p> <p>The impact of the implementation of Universal Credit to be reviewed</p>	<p>The Audit &amp; Risk Management 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>	This remains a governance risk

### **Actions during 2019/20 to improve governance**

In 2018/19 the Capital Board was set up 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. During 2019/20 the Capital Board played a key governance function in reviewing the Ten-Year Capital programme which has been produced for the first time to Cabinet and Council in February 2020. The Terms of Reference for this Board were revised.

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. Cyber security was an area of special interest in 2019/20 for the Assurance Board to be satisfied that the council arrangements are robust.

The Council's Constitution has been reviewed and updated in a phased approach over the year. This included a review of the Council's Scheme of Delegation. The revised Constitution was agreed at [full Council on 26 February 2020](#). The next full council/AGM will now be scheduled for the 1<sup>st</sup> July. At this meeting we intend on agreeing the next phase of the constitutional changes including the way scrutiny functions.

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.

### **Areas of focus for 20/21**

Focus will be placed on the following significant governance issues during 20/21:

- There are ongoing information governance risks, including cyber security risks and IT network security and IT network security, which continues to require careful management;
- The continued need to improve services and enhance customer access to services means that integration, improvement and security of the use of data held and managed by the Council is essential;
- The Council needs to continue to ensure that high standards of health and safety advice, support and guidance is provided across all services;
- The Council must continue to ensure business continuity plans are up to date and effective;

- Impact of Covid19:
  - (i) On the Council's Financial position, debt recovery processes, economic impact on the wider borough's businesses and residents. There are already robust governance arrangements in place to monitor the Council's financial position through reporting to the Executive Management Team and Cabinet. A debt strategy will be finalised, and level of debt monitoring will be improved in 2020/21 through improved reporting to Departmental Management Teams; and
  - (ii) The implementation of legislations and regulations.
- Increase need and cost of demand led services such as social care, social housing, temporary accommodation;
- The impact of the implementation of Universal Credit to be reviewed; and
- The UK has now left the European Union (EU) and there is a transition period in place until the end of 2020 while the UK and the EU negotiate further arrangements. The Council will need to continue to monitor developments and risks associated with the end of the transition period.

## **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 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 and can therefore only provide reasonable and not absolute assurance of effectiveness.

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 and Risk Management 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 and Risk Management.
- 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 Brexit Panel and 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 Audit and Risk Management Committee including regular progress reports and the Annual Audit Letter
- The work of the Audit and Risk Management Committee that includes ensuring best practice in corporate governance is applied across the Council.

### **Assurance Statement**

Based on the work undertaken by the Internal Audit team during 2019/20 the opinion of the Head of Internal Audit and Risk Management is that the arrangements for governance, risk management and internal control provided *Limited 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 2019/20. Improvements are required in the areas identified in the audit reports to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control.

### **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:**

**Councillor Nesil Caliskan**  
**Leader of the Council**  
**Date:**