NOTICE OF MEETING

CORPORATE COMMITTEE

Thursday, 2nd February, 2023, 7.00 pm - Woodside Room, George Meehan House, 294 High Road, Wood Green, N22 8JZ (watch the live meeting here and watch the recording here)

Members: Councillors Kaushika Amin, Mark Blake, Alessandra Rossetti, Anna Abela, Charles Adje, Eldridge Culverwell, Isodoris Diakides (Chair), Erdal Dogan (Vice-Chair), Sue Jameson, Ahmed Mahbub, Mary Mason and Michelle Simmons-Safo

Quorum: three

1. FILMING AT MEETINGS

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the 'meeting room', you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

3. URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. (Late items will be considered under the agenda item where they appear. New items will be dealt with under item 11 below).

4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Part 4, section B, Paragraph 29 of the Council's Constitution.

6. MINUTES (PAGES 1 - 12)

To confirm and sign the minutes of the Corporate Committee meeting held on 15 November 2022 as a correct record.

To review the Action Tracker.

7. POLLING DISTRICTS AND POLLING PLACES REVIEW (PAGES 13 - 110)

It is recommended that Corporate Committee:

Approves the polling scheme describing the polling districts and the polling places for the London Borough of Haringey as set out in Appendix 1.

Grants the (Acting) Returning Officer ((A)RO) and the Deputy (Acting) Returning Officers delegated authority to amend the polling scheme where the names of buildings change and for specific elections where strictly necessary for a particular election, including changing polling places.

Delegates to the Electoral Registration Officer ("ERO") the authority to approve correction of any minor errors in allocating properties to districts on transferring the maps in Appendix 1 into the electoral registration software

8. TREASURY STRATEGY (PAGES 111 - 138)

The Corporate Committee is requested:

To agree the proposed updated Treasury Management Strategy Statement for 2023/24 and recommend to the Full Council for approval.

To note that the Overview and Scrutiny Committee and the Cabinet Member for Finance have been consulted in the preparation of the Treasury Management Strategy Statement.

9. 2020/21 AUDIT PROGRESS REPORT (PAGES 139 - 180)

A presentation on the 2020/21 Audit Progress.

10. DEPUTY ELECTORAL REGISTRATION OFFICERS (PAGES 181 - 184)

To approve the following postholders as Deputy Electoral Registration Officers

- Head of Electoral Services (Gareth Harrington)
- Deputy Head of Electoral Services (vacant post)
- Monitoring Officer / Head of Legal and Governance (Fiona Alderman)
- Chief People Officer (Dan Paul)

11. NEW ITEMS OF URGENT BUSINESS

To consider any items of urgent business as identified at item 3.

12. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

28 March 2023

13. EXCLUSION OF THE PRESS AND PUBLIC

Item 14 is likely to be subject to a motion to exclude the press and public from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3.

14. EXEMPT MINUTES (PAGES 185 - 188)

To confirm and sign the exempt minutes of the Corporate Committee meeting on 15 November 2022 as a correct record.

15. NEW ITEMS OF EXEMPT URGENT BUSINESS

Nazyer Choudhury, Principal Committee Co-ordinator
Tel – 020 8489 3321
Fax – 020 8881 5218
Email: Nazyer.Choudhury@haringey.gov.uk

Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Wednesday, 25 January 2023

MINUTES OF THE CORPORATE COMMITTEE HELD ON TUESDAY, 15TH NOVEMBER, 2022, 7:00PM – 9:30PM

PRESENT:
Councillors: Rossetti, Abela, Culverwell, Diakides (chair), Dogan (vice-chair), Jameson, Mason, and Mahbub

ALSO ATTENDING:
Kaycee Ikegwu (Head of Finance (Housing) & Chief Accountant), Minesh Jani (Head of Audit & Risk Management), Tim Mpofu (Head of Pensions & Treasury), Paul Dooley (Chief Information Officer), Peter Douglas (Security Compliance Manager), Benita Edwards (Assistant Head of Legal Services), David Eagles (BDO – External Auditor), Tharshiha Vosper (BDO – External Auditor), and Jack Booth (Principal Committee Co-ordinator).

1. FILMING AT MEETINGS

The Chair referred to the notice of filming at meetings and this information was noted.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Amin, Mark Blake, Adje, and Simmons-Safo.

3. URGENT BUSINESS

There was no urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were no deputations.

6. MINUTES

The following was highlighted in relation to matters arising:

- A committee member asked for a report proceeding from this action: ‘At the suggestion of the chair, look at the feasibility of setting up an informal group with the Head of Procurement, the Head of Audit & Risk Management, and the CEO to ensure that issues around procurement were resolved in a timely manner’ **(Action: Minesh Jani);**

- The chair wanted his dissatisfaction noted, at those actions that were still ongoing; and
- A committee member queried when a manually simplified contract register would be available to view for the committee **(Action: Barry Phelps).**

RESOLVED

To confirm and sign the minutes of the Corporate Committee meeting held on 15 September as a correct record.

7. DRAFT STATEMENT OF ACCOUNTS 2021-22

Head of Finance (Housing) & Chief Accountant said that before he would introduce his item, he would like to invite the external auditors from BDO to give the committee an explanation as to why the Draft Statement of Accounts for 2020-21 had yet to be completed.

The external auditors from BDO gave the committee the following update as to why the Draft Statement of Accounts for 2020-21 had yet to be completed:

- They had recommenced audit work on 3 October and had resource bookings until the end of the year;
- Current audits had focused on property, plant, and equipment (PP&E) and schools' payroll;
- In respect to PP&E, a key area within this was HRA evaluations, which had been examined;
- There were 219 assets that were outside expectation range. This had been reduced to 91 assets, the rest were being evaluated;
- 17 schools with expenditure still to review;
- The auditors had progressed on work about grants received in advance;
- Manager reviews were ongoing till January 2023. After this, external reviews would take place;
- The auditors were talking to the Department for Levelling Up, Housing & Communities (DLUHC) about particulars around valuing infrastructure assets. It was hoped that issues around this matter would be resolved so work and this area could be completed by January; and
- The auditors would bring an audit progress report to the Corporate Committee meeting on 2 February 2023, with a final completion report to be issued in March 2023.

In response to committee members questions the external auditors from BDO gave the following answers:

- There was no date for when the 2021-22 audit would be complete. This was because the 2020-21 audit would have to be completed first; and
- The risk to the council through looking at two years' worth of audits in quick succession was minimised through the issue of valuing infrastructure assets being a near ubiquitous problem across councils.

The Head of Finance (Housing) & Chief Accountant gave an update to the Committee on the Council's Draft Statement of Accounts 2021/22.

In response to committee members questions the Head of Finance (Housing) & Chief Accountant gave the following answers:

- The risk register for the council was not part of the Draft Statement of Accounts. There was an Annual Governance Statement (AGS) which was on pp.145-168 of the agenda and reports pack. The chair asked for an update on the AGS to be on a future agenda **(Action: Minesh Jani/ Kaycee Ikegwu/ Principal Committee Co-ordinator**

RESOLVED

To note the contents of this report, and the appended Draft Statement of Account.

8. TREASURY MANAGEMENT UPDATE MID-YEAR REPORT 2022-23

The Head of Pensions & Treasury informed the committee that the council had adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve reports on the performance of the treasury management function at least twice yearly (mid-year and at year end).

The Council's Treasury Management Strategy for 2022/23 was approved by Full Council on 1 March 2022. The report provided an update on the Council's treasury management activities and performance for the first half of the financial year to 30 September 2022 in accordance with the CIPFA Treasury Management Code of Practice.

The Head of Pensions & Treasury highlighted the following:

- The cost of undertaking new borrowing had increased over the period driven largely by the following factors:
    - Higher levels of sustained inflation;
    - Bank Rate increases by the Bank of England as a result of the sustained higher levels of inflation. It was noted that at the start of the financial year the Bank of England's Bank Rate was 0.75%, compared to the reported rate of 3% at the time of the meeting . This was a meaningful increase in the cost of borrowing over a short period; and
    - Political instability during the months of September and October largely as a result of the UK Government's mini-budget.

- It was noted that the Council had a far-reaching capital programme which required extensive borrowing to finance the plans. Any new borrowing would be undertaken in the context of the approved Treasury Management Strategy. It was noted that the strategy was formulated based on a different set of assumptions than those in the prevailing economic environment. The Head of Pensions & Treasury highlighted an example from the report where the interest rate on a 30-year loan from the Public Works Loans Board (PWLB) had increased from about 2.60% in April 2022 to 4.60% in September 2022.

- It was further highlighted that the increase in the cost of borrowing would be limited to the cost of any new borrowing undertaken by the Council.. This was due to the Council not holding any variable rate loans. The Head of Pensions & Treasury affirmed that all treasury management activities during the period were undertaking in line with the approved Treasury Management Strategy.

In response to committee members questions the Head of Pensions & Treasury gave the following responses:

- In the context of the Council's treasury management activities, borrowing decisions were based on the prevailing interest rates and progress made on delivering the Council's capital programme. Parameters for borrowing were set out in the approved Treasury Management Strategy. It was noted that borrowing decisions were taken within this framework and were made in consultation with the Council's treasury advisors. The Head of Pensions & Treasury highlighted that £70m of new long-term borrowing had been undertaken during the reporting period. The average interest rate for this new borrowing was lower than the current PWLB rates on offer at the time of the meeting.
- It was noted that an increase in the cost of borrowing would likely result in additional interest costs for the Council, which may have implications on the Council's overall service delivery. However, the cost of borrowing for the financial year 2022/23 was expected to be in line with the Council's approved budget.
- In response to a question on the impact of a recession on treasury management it was noted that the Council's treasury advisors had advised that this would most likely result in the Bank of England lowering interest rates in a bid to stimulate the economy.. However, the medium-term expectation was that the Bank of England would continue to increase interest rates.
- In response to a question regarding Lender Option, Buyer Option loans, the Head of Pensions & Treasury highlighted that the Council currently held LOBO loans with different option exercise dates, meaning the risk of these options being exercised was diversified thereby mitigating refinancing risk.
- The Head of Pensions & Treasury noted that PFI and finance leases were part of the council's debt but managed separately from the council's treasury management function.
- As part of Council's cashflow management activities, excess cash was managed in accordance with the approved Treasury Management strategy taking into account the security and liquidity requirements of the Council. Excess cash can be invested or deposited with money market funds, the Debt Management Office (DMO), or other local authorities. It was noted that most of the Council's treasury investments and deposits were placed with either money market funds or the debt management authority.

RESOLVED

The Corporate Committee:

a. Noted the Treasury Management activity undertaken during the first half of the financial year to 30 September 2022 and the performance achieved outlined in the report.

b. Noted that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

9. INTERNAL AUDIT PROGRESS REPORT 2022/23 - QUARTER 2

The Head of Audit & Risk Management gave a progress report on work undertaken by Internal Audit in the quarter ending 30 September 2022 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised. Mazars delivered the Council's internal audit work.

In response to committee members questions the Head of Audit & Risk Management gave the following answers:

- The tree management was identified as a risk. This was partly because the service responsible did not have enough funds to carry out necessary safeguards in their entirety. To effectively manage the trees that the council were responsible for, the following measures needed to be in place:
-
    - 1. Effective tree management plan identifying when certain trees needed to be inspected;
    - 2. Inspection regime to take place on regular basis and to be reported formally;
    - 3. Ensure remedial measures are taken;
    - There were gaps in how these three measures were undertaken. Predominately in the second and third measures due to lack of funding.
    - To resolve issues around tree management there needed to be:
        - A clear strategy; and
        - Additional funding It is understood arrangements have been made by the service, working with Finance for an increase in funding for the service to increase its inspections and management of trees.
- Audits for schools were captured in one annual report. The Head of Audit & Risk Management said that he would share specific reports on schools with interested committee members if they wanted this information;
- What was important with the management of CCTV operations was that there was a code of practice. Officers should be satisfied that the placement of cameras was in line with the code practice, particularly that certain aspects were not aggressively monitored. The service responsible for placement of cameras would carry out this assessment **(Action: Minesh Jani)**.

- Auditors had done follow up audits on housing repair and anti-social behaviour. Not all the agreed recommendations have been implemented, many of the risks identified remain unresolved. It was unsure why these have not been implemented, the service would be better placed to say why this was. A service representative will be invited to the March 2023 meeting **(Action: Minesh Jani)**.

RESOLVED

To note the audit coverage and follow up work completed.

10. ANTI-FRAUD & CORRUPTION PROGRESS REPORT 2022/23 - QUARTER 2

The Head of Audit & Risk Management presented a report detailing the work undertaken by the in-house Audit & Risk team. This provides the work plan for 2022/23.

In response to committee members questions the Head of Audit & Risk Management gave the following answers:

- The estimates stated on page 207 at paragraph 12.2 for a fraudulent tenancy were a national average. The estimate would increase when applied to London. When a case was presented at court, these figures became more precise factoring in the actual cost to the council of the cost incurred by the authority. The following factors, amongst others, were considered when determining the exact costs:
    - Temporary accommodation at a particular post code;
    - The rent, if any, that had been paid on the property; and
    - The difference between the two figure was typically the amount that the council would pursue in a legal case.

RESOLVED

To note the activities of the team during quarter two of 2022/23.

11. CORPORATE COMMITTEE MEMBER SKILLS MATRIX

A report was presented to the Corporate Committee's on 22 July 2022 seeking feedback from member on the areas of the Corporate Committee's remit where members of the Committee would like training. In that paper, members were asked to complete an on-line skills matrix assessment. The feedback provided by members has been used to specify the training needs of the committee to allow the Corporate Committee to fulfil its remit.

In response to committee members questions the Head of Audit & Risk Management gave the following answers:

- External audit training would be carried out by the external auditors before the next review of the external audit in July 2023 **(Action: Minesh Jani);**

- CIPFA training was being arranged by Member Services, it would online training. All councillors would be invited to this training;
- CIPFA guidance recommends that this type of committee should co-opt independent members. This would help the committee, along with other recommendations, to be seen as taking decisions independently of the executive function of the council **(Action: Minesh Jani).**

RESOLVED

To note the contents of this report and the proposed dates for training set out at paragraph 11.6.

12. NEW ITEMS OF URGENT BUSINESS

There were no items of urgent business.

13. EXCLUSION OF THE PRESS AND PUBLIC

Item 14 was subject to a motion to exclude the press and public from the meeting as it contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paragraph 3 of Part 1.

14. UPDATE ON PROGRESS OF ACTIONS IN CYBER SECURITY AUDIT

The Committee considered exempt information relating to item 14 of the agenda.

15. DATES OF FUTURE MEETINGS

Thursday, 2 February 2022
This meeting will consider the following agenda items:

- Polling districts and Polling Places Review (Lesley Rennie) [this has been moved from the November meeting to this meeting];
- Treasury Strategy Training (Tim Mpofu);
- Treasury Strategy (Tim Mpofu);
- External Audit Plan 2021-22 (BDO, Kaycee Ikegwu)
    - Audit Progress Report for 2020-21 (BDO); and
- Provisional Plan for Audit 2021-22 (Kaycee Ikegwu).

Tuesday, 28 March 2023
This meeting will consider the following agenda items:

- Treasury Management Update for Quarter Three (Tim Mpofu);
- Audit & Risk Quarter Three Progress Report (Minesh Jani, Vanessa Bateman); Annual Internal Audit Plan, Strategy, & Charter 2022-23 (Minesh Jani, Vanessa Bateman); and
- Verbal Update on 2021-22 Audit Progress (Minesh Jani, Vanessa Bateman).
- Draft Statement of Accounts 2020-21
    - BDO completion report for the draft statement of accounts

All meetings to commence at 7:00pm.

CHAIR: Councillor Isidoros Diakides

Signed by Chair ………………………………..

Date …………………………………

Corporate Committee – Action Tracker				
Meeting date	**Action**	**Response**	**Who by**	**Status**
15 September 2022	To send the chair information regarding the number of contracts that had three quotations and the amount of contracts that had more than a single bidder.	Barry Phelps: A special report needs to be written by the systems provider to ascertain this information. We have requested what if any cost is associated with this along with timescales. Barry Phelps: Not possible to report on this level of information from the current systems.	Barry Phelps	Ongoing
15 September 2022	At appendix 1 in the table titled 'Arrangements for letting contracts', a committee member noted that the wording should be affirmative not passive. For example, to use 'ensure' rather than 'consider'.	Barry Phelps: Currently liaising with Audit & Risk colleagues to understand what scope there is in amending the report to be more affirmative. Barry Phelps: Audit report updated as requested and passed back to Audit.	Barry Phelps	Ongoing
15 September 2022	Assess the feasibility of setting up internal contracts register by the end of 2022. Additionally, to look into bringing any other actions forward, where possible, before the planned implementation date of the procurement software at the end of 2023.	Barry Phelps: It may be possible to manually create a simplified contract register with basic information (i.e. reference, supplier, short description start and end date, value) on a quarterly basis from the four primary corporate procurement systems. This will be attempted at the end of Q3. Jack Booth: it was reiterated at the 15 November 2022 that the committee would want to see this simplified contract register for the next meeting in February 2023. Barry Phelps: A consolidated contract register has been completed. There is one small set of data to be added when this comes through from the provider. The report will be updated upon receipt.	Barry Phelps	Completed and Ongoing
15 September 2022	To send committee members the right to buy process to pass on to residents where necessary.	Jack Booth: The Assistant Director of Strategy, Communication, and Collaboration is speaking to housing colleagues to liaise with the Leaders office to arrange.	Claire McCarthy	Ongoing

		Claire McCarthy: A suggestion has been made to the Leaders Office about providing a briefing for Members on the right to buy process. There were a lot of requests for all member briefings on topics which have to be balanced on the basis of urgency. A further follow up would be completed but the action should possibly have been a request for an all Members briefing – which has been made and therefore the action is complete. Ultimately it is for the relevant Cabinet Member to prioritise, schedule etc All Member Briefings.		
15 September 2022	To look into organising a members training around the right to buy.	Jack Booth: The Assistant Director of Strategy, Communication, and Collaboration is speaking to housing colleagues to liaise with the Leaders office to arrange. Claire McCarthy It needed to be established as to who would provide the training.	Claire McCarthy	Ongoing
15 November 2022	Following on from this completed action from the 15 September 2022 meeting: '… [set] up an informal group with the Head of Procurement, the Head of Audit & Risk Management, and the CEO to ensure that issues around procurement were resolved in a timely manner.' The committee asked that reports from these meetings be submitted to the committee so they could see the progress of procurement issues.	The issues arising from the procurement audits have been raised with the Head of Procurement, the Director of Finance (DOF) and the CEO. The DOF has advised the Head of Procurement, the Head of Audit and Risk Management and the DOF will meet regularly and report to the CEO. The Head of procurement will provide updates on actions to the Committee on a regular basis.	Minesh Jani	Completed
15 November 2022	To send to committee members the date when officers had carried out assessment of suitability of CCTV operations.	Assessments for all permanent sited cameras were completed by the end of Nov 2022. For cameras that are portable, a fresh assessment is completed based on the new location.	Minesh Jani	Completed
15 November 2022	To organise external audit training with the external auditors before July 2023.	Completed – Training for Financial Reporting has been arranged for 28 March 2023 and will be delivered by the Head of Finance (Housing & Chief Accountant)..	Minesh Jani	Completed

15 November 2022	To circulate CIPFA training advice to committee members.	Completed – the advice from CIPFA was circulated to Committee members on 18 Nov 2022.	Minesh Jani	Completed

This page is intentionally left blank

Report for: Corporate Committee

Title: Review of polling districts, polling places and designation of polling scheme

Report authorised by: Mark Stevens, Assistant Director Direct Services & Project Sponsor

Lead Officer: Lesley Rennie,
Project Manager,
Lesley.rennie@haringey.gov.uk, tel 07773 628 401

Ward(s) affected: All

Report for Key/ Non-Key Decision: Non-key decision

1. Describe the issue under consideration

1.1 A full review of polling places and polling districts was conducted in 2021 following the ward boundary review undertaken by the Local Government Boundary Commission for England (LGBCE). The outcome of the polling place and polling district review was implemented for the May 2022 borough elections.

1.2 Following the elections, a further review was carried out based on feedback from polling day and population changes.

1.3 This report sets out the recommendations for each polling district and the associated polling place, including where feedback was received and any changes that were made as a result of the consultation phase.

2. Recommendations

It is recommended that Corporate Committee:

2.1 Approves the polling scheme describing the polling districts and the polling places for the London Borough of Haringey as set out in Appendix 1.

2.2 Grants the (Acting) Returning Officer ((A)RO) and the Deputy (Acting) Returning Officers delegated authority to amend the polling scheme where the names of buildings change and for specific elections where strictly necessary for a particular election, including changing polling places.

2.3 Delegates to the Electoral Registration Officer ("ERO") the authority to approve correction of any minor errors in allocating properties to districts on transferring the maps in Appendix 1 into the electoral registration software

3. Reasons for decision

3.1 **Recommendation 1** – the Council has a statutory duty to sub-divide parliamentary constituencies into polling districts. The Council also has a statutory duty to allocate a polling place for each polling district. Whilst there is no statutory requirement for local government electoral wards to be split into polling districts, in order to deliver local government elections, wards need to be divided into polling districts, and each with an allocated polling place. Thus, Recommendation 1 is required to support the delivery of elections. It is also a statutory requirement to consult on the Polling Scheme.

3.2 **Recommendation 2** – this polling place scheme is put in place for future elections until further notice. Names of buildings can change, and this will allow the polling scheme to reflect these name changes. Additionally, at the time of any particular election, a designated polling place may not be available. The delegation of this decision to the (A)RO will ensure that polling places can be booked in a timely manner, especially where a snap election is called at short notice, without the need to call an extraordinary meeting of the Corporate Committee. This will not be used to amend the polling scheme outside of the requirements of an election.

3.3 **Recommendation 3** – The maps produced for this report need to be imported into the Council's GIS Mapping system. When doing this, it may highlight a small number of properties on the edge of a polling district boundary that has been placed into the "wrong" polling district (but still within the correct ward). Additionally, the import into the Council's GIS system may flag properties that have a polling district boundary cutting through them, splitting a property into two or more polling districts. Recommendation 3 gives the ERO the authority needed to correct these errors.

4. Alternative options considered

4.1 A set of proposals was drafted, and a two-stage consultation process was carried out. During the first stage, the ERO consulted the Returning Officer on the draft proposals. The second stage was to consult key stakeholders and the public on the draft proposals. These initial proposals were shared with all Members and published on the Council's website at the beginning of the consultation process. As a result of the consultation feedback, alternative proposals were developed for some areas for consideration by the Committee.

5. Background information

5.1 The Local Government Boundary Commission for England conducted a review of the Haringey Borough wards. The resulting change from 19 to 21 wards (albeit with no change to the number of councillors - 57) came into effect from the May 2022 elections. A full review of the Polling Districts and Polling Places in Haringey Borough was carried out in 2021 in preparation for implementing the new wards. This was reflected in the Polling Scheme that was approved by the Corporate Committee on 16 November 2021.

5.2 The Polling Scheme broadly worked well. Feedback was gathered after the election from all those involved (including political parties, candidates, staff and voters) and it was agreed that a further light touch review would be beneficial, looking at the following issues:

(a) All polling places would be checked for electorate capacity.

(b) There were some known issues, such as the growing population in Noel Park, which meant that an additional polling district and place was required; also, the polling place for Seven Sisters district SES-A was outside the ward.

(c) The focus would be on polling district boundaries and polling place locations – practical and logistical issues that need to be improved would be dealt with outside the scope of this review. These were around how the polling places within the scheme are used, signposted and made fully accessible.

(d) All new potential polling places were visited to check for suitability and accessibility

5.3 The working assumptions that were used for the last review were retained (see Appendix 2).

In addition, requirements for voter ID that will be brought in from May 2023 will increase the workload of polling station staff. The target electorate that was set for each individual polling station was changed to 2300 from 2000-3000. This was in anticipation that the Electoral Commission Guidance, which currently suggests that the electorate per polling station is 2500, would be reduced to reflect the changes brought in by the Elections Act 2022. The figure recently announced by the Commission is 2250, which is closely aligned to the target. Where a polling place has capacity, this can be used to accommodate two polling stations so the district could have an electorate of around 4600. Where the polling place is too small to accommodate two polling stations, the district then needs to be reduced in size.

There is flexibility built into the polling scheme, as the actual electorate at any given election will be used to decide on the number of polling stations in a polling place.

5.4 Having looked at the feedback and population data, a set of proposals were prepared. In summary, the following changes were proposed (with the full consultation paper including the maps included at Appendix 3):

- **Highgate Ward:** Jackson's Lane proved not to be overly suitable for use as a polling place. It is proposed to designate Highgate Library as the polling place, in place of Jackson's Lane. Jackson's Lane would be retained as a polling place until the renovations at Highgate Library are completed.

- **Hornsey Ward:** Amend the polling district boundaries to reduce the number of electors allocated to the Kurdish Advice Centre and increase the number of electors allocated to Middle Lane Methodist Church.

- **Noel Park Ward:** Splitting this ward into four polling districts rather than the current three polling districts. Proposing using either Alevi Cultural Centre and Cemevi OR Faith Miracle Church OR McQueen's Theatre as the fourth polling place. Advice from Members was sought on this.

- **Seven Sisters Ward:** Designating the whole of polling district SES-A as the polling place, to allow the Returning Officer to site a portable building on a suitable site for use as a polling place.

- **Tottenham Central Ward**: Increase the number of polling districts from three to four. Designate Dorset Halls / West Green Baptist Church as the polling place for the fourth district (this is situated in Tottenham Central ward but is currently designated a polling place for Seven Sisters Ward)

- **West Green Ward:** Milton Hall Community Centre is not large enough to accommodate the electorate it currently has. We are proposing splitting this ward into five polling districts as opposed to the current four. It is proposed using the Harris Primary Academy School as the additional polling place.

Consultation

5.5 The consultation was formally launched on 20 September 2022 and was due to close in October. This was then extended to 24 November to allow full engagement with consultees. It was sent to all ward councillors, Haringey elected representatives, people who work in organisations that are experts in accessibility and political party representatives. Six email responses were received. Information on the consultation responses is included in Appendix 2.

5.6 This feedback resulted in changes being made to the Hornsey proposal to adjust the boundary between HRN-A and HRN-D west to a more logical natural boundary.

5.7 Feedback on the options for Noel Park ward was in favour of establishing the Cemevi as a new polling place. Other than that, the proposals were unchanged from the consultation and have therefore been included in the revised polling scheme at Appendix 1.

5.8 As with the previous review, the aim was to minimise the use of portable buildings. The reasoning, as set out in the 16 November 2021 report, is as follows:

As portable buildings are not fixed buildings, they have very limited facilities for polling station staff – i.e., chemical toilets, no separate rest space, and no kitchen facilities, far from ideal for what is a very long working day. Furthermore, portacabins also bring with them increased risk - experience has shown that power supplies regularly fail, there can often be delivery issues/problems getting the temporary building correctly situated, there is an unwillingness for many staff to work in a building with so few facilities and access for those with physical disabilities can be challenging.

5.9 Equalities principles were embedded in this process. A Equality Impact Assessment to ensure that the Council meets the requirements of equalities legislation was carried out, in alignment with the 2021 EQIA as the approach was unchanged The majority of the changes proposed in the review will result in shorter walking distances for most electors. The Elections Act 2022 brings in the requirement to ensure accessibility of polling stations. The details of how this should be implemented will be set out in Electoral Commission Guidance, which is currently being consulted on. Most of the draft guidance is already implemented in Haringey and, once the final document is published, all the election processes will be reviewed to align with this.

5.10 Once revised polling districts are approved, the Electoral Registration Officer will make any necessary alterations to the electoral register and give notice of having done so.

5.11 Visits to eleven polling places plus the sites for the five portable buildings to finalise details of how each will be used will be carried out before an election takes place. The data held on each polling place will also be refreshed through engagement with the people who manage each building.

6. Contribution to strategic outcomes

6.1 It is a statutory requirement to have a polling scheme setting out polling districts and polling places and to consult on this.

Statutory Officers' comments

7. Finance

7.1 The recommendations in this report will, if approved, result in a minor increase in the number of venues designated as a polling place with an associated increase in cost (expected to be less than £10,000).

7.2 The cost of the electoral register and the mapping software is met within existing budgets.

8. Strategic Procurement

8.1 Strategic Procurement note the contents of the report and that there are no procurement implications in the report.

9. Legal

9.1 The Head of Legal & Governance has been consulted in the preparation of this report and makes the following comments.

9.2 The London Borough of Haringey Council (Electoral Changes) Order 2020 was made on 12th October 2020 and the resultant new ward arrangements for the Council came into force at the local elections in **May 2022.**

9.3 S18A(2) of the Representation of the People Act 1983 ("RoPA") requires the Council to divide each Parliamentary constituency in its area, and s31 of RoPA empowers the Council to divide its area for the purpose of local elections into polling districts and to designate polling place(s) for each district. In each case the Council is under a duty to keep the polling districts and places under review.

9.4 On any review of polling districts and places for Parliamentary constituencies the Council must consult pursuant to s18C(6) and Schedule A1 of RoPA, and upon completion of the review the Council must give reasons for its decisions in the review.

9.5 Pursuant to s18A(5) of RoPA, on any alteration of Parliamentary polling districts the ERO must make such adaptation of the electoral register as is required, and this will take effect on the date of publication of a notice to this effect.

9.6 It is noted that in formulating these current proposals, the Electoral Commission's guidance on polling district and polling place reviews was followed, and an EQIA has been carried out. In addition, an appropriate statutory public consultation exercise was conducted, the results of which led officers to make changes to the proposals. The committee is required conscientiously to take the outcome of the consultation into account in taking its decision.

9.7 Under the provisions of Part Three, Section B of the Constitution, and Reg. 2 and Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 S.I. 2853 (as amended or further amended in any statute or subordinate legislation), Corporate Committee has as one of its Terms of Reference the following Schedule 1 function: *Paragraph D – Elections; all functions relating to Elections except the approval of pilot schemes for local elections which is reserved to full Council.* Accordingly, this Committee has the power to make a resolution in relation to the Recommendations contained in this report.

10. Equalities

10.1 The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

10.2 The decision is to approve the new polling districts in the 21 wards of Haringey as set out in Appendix 1a & b and approve delegated authority arrangements.

Haringey LONDON

10.3 An Equalities Impact Assessment (EqIA) was undertaken for the review, which built on the EqIA carried out for the 2021 review to understand the potential impacts of proposals as to polling districts and places on individuals with protected characteristics. Additional polling districts will, on the whole, reduce travel distance/time for residents and thereby make them more accessible. Officers developed principles (set out in appendix 2) as to the extent of polling districts and the siting and characteristics of polling places in the light of that assessment, which have guided and been applied in the current review (see next paragraph).

10.4 Individuals who may be impacted by the proposals are those who may find it difficult to physically go to or access a polling station, whether due to age, disability or pregnancy. The EqIA sets out measures that should be taken to reduce the impact on these groups by making polling stations accessible and also promoting alternative ways of voting such as by post or by proxy. Early information will also be provided to residents regarding accessibility to mitigate any impacts as much as possible. Where possible alternative venues were found, and ward districts were redrawn to promote accessibility for these groups. Ramp access is provided to polling stations where a ramp is needed and not already present. All polling stations are within easy access of public transport. Assessment and understanding of accessibility, as required by the Electoral Commission Guidance on Polling Districts and Polling Places reviews, have been embedded in the review from the beginning of the project.

11. Use of Appendices

Appendix 1 –The polling scheme

Appendix 2 – Working assumptions from the 2021 Review

Appendix 3 – Feedback to the consultation

Appendix 4 – Equalities Impact Assessment

12. Local Government (Access to Information) Act 1985

12.1 This review was conducted following the Electoral Commission’s guidance: Polling place reviews | Electoral Commission

12.2 All the information about the Boundary Commission’s review can be found here - Haringey | LGBCE Site

12.3 The consultation documentation was shared here: New electoral arrangements (haringey.gov.uk)

Note - External links – Haringey Council is not responsible for the contents or reliability of linked web sites and does not necessarily endorse any views expressed within them. Listing should not be taken as endorsement of any kind. It is your responsibility to check the terms and conditions of any other web sites you may visit. We cannot guarantee that these links will work all the time and we have no control over the availability of the linked pages.

Appendix 1

Haringey Council Polling Scheme

Corporate Committee
16 November 2021

As amended by the
Corporate Committee
2 February 2023

Agreed/amended	Ward	Parliamentary Constituency	Polling District Code	Polling Place
Agreed 16 November 2021	Alexandra Park	Hornsey & Wood Green	APK-A	Freehold Community Centre, Alexandra Road, Muswell Hill, London, N10 2EY
Agreed 16 November 2021	Alexandra Park	Hornsey & Wood Green	APK-B	Alexandra Park Library, Alexandra Park Road, London, N22 7UJ
Agreed 16 November 2021	Alexandra Park	Hornsey & Wood Green	APK-C	Polling district APK-C (to allow a portable building to be sited as appropriate at the time of the election)
Agreed 16 November 2021	Bounds Green	Hornsey & Wood Green	BGR-A	Bounds Green Junior School Bounds Green Road, London, N11 2QG
Agreed 16 November 2021	Bounds Green	Hornsey & Wood Green	BGR-B	Walt Green Co, 99 Myddleton Road, London, N22 8NE
Agreed 16 November 2021	Bounds Green	Hornsey & Wood Green	BGR-C	Newbury House, Partridge Way, London, N22 8DU
Agreed 16 November 2021	Bruce Castle	Tottenham	BRC-A	Devonshire Hill Primary School, Weir Hall Road, London, N17 8LB
Agreed 16 November 2021	Bruce Castle	Tottenham	BRC-B	The Irish Centre (current name - to be renamed), Pretoria Road, London, N17 8DX
Agreed 16 November 2021	Bruce Castle	Tottenham	BRC-C	Lancasterian Primary School, Kings Road, London, N17 8NN
Agreed 16 November 2021	Bruce Castle	Tottenham	BRC-D	The Scout Hall, All Hallows, All Hallows Road, London, N17 7AD
Agreed 16 November 2021	Crouch End	Hornsey & Wood Green	CEN-A	Abide Church, 145 Park Road, London, N8 8JN
Agreed 16 November 2021	Crouch End	Hornsey & Wood Green	CEN-B	Christ Church Crouch End, Crouch End Hill, London, N8 8AX
Agreed 16 November 2021	Crouch End	Hornsey & Wood Green	CEN-C	Hornsey Library, Haringey Park, London, N8 9JA
Agreed 16 November 2021	Fortis Green	Hornsey & Wood Green	FGR-A	Coldfall Primary School, Coldfall Avenue, London, N10 1HS
Agreed 16 November 2021	Fortis Green	Hornsey & Wood Green	FGR-B	Fortismere School, Tetherdown, Muswell Hill, London, N10 1NE

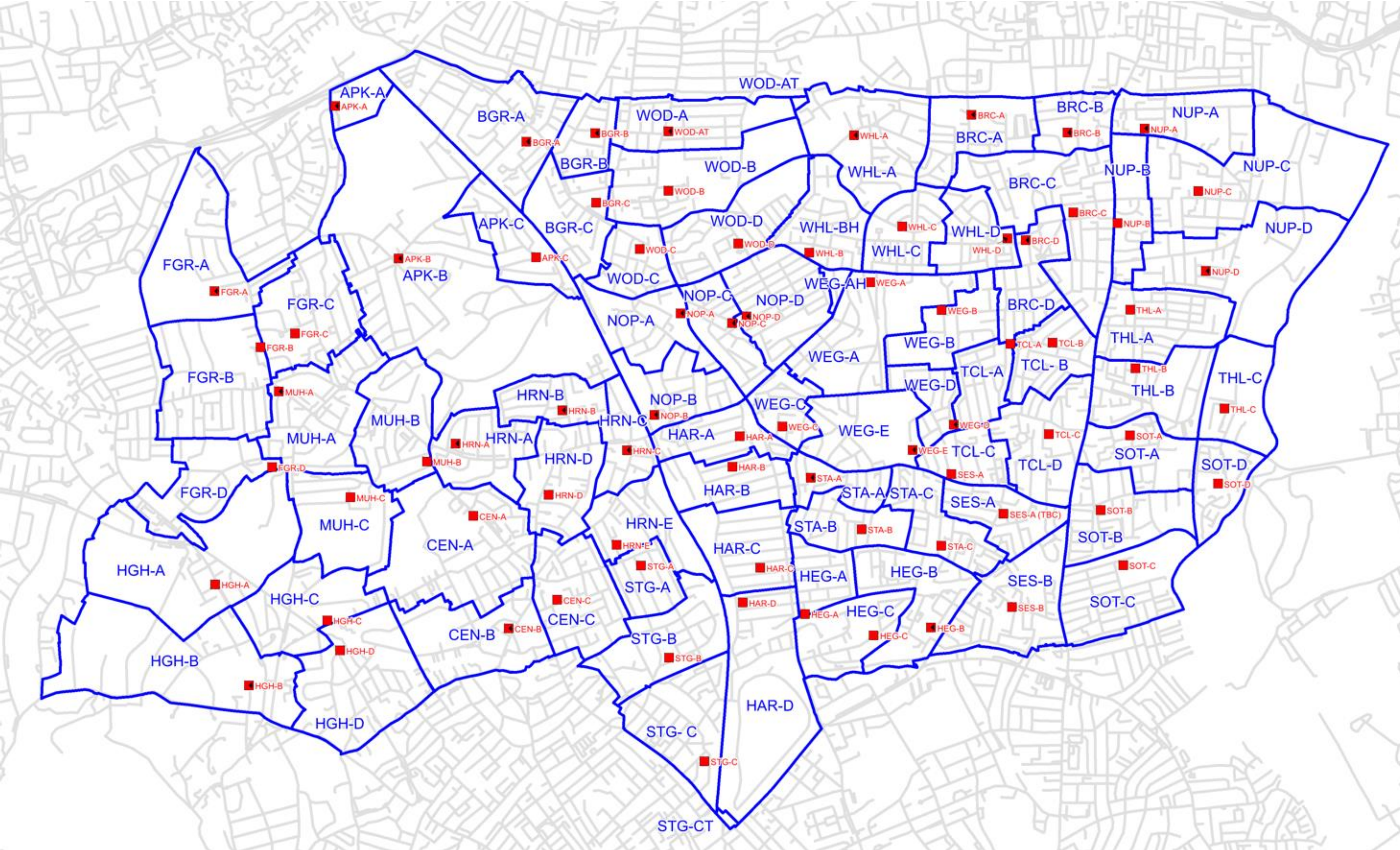
Agreed 16 November 2021	Fortis Green	Hornsey & Wood Green	FGR-C	Muswell Hill Methodist Church, 28 Pages Lane, London, N10 1PP
Agreed 16 November 2021	Fortis Green	Hornsey & Wood Green	FGR-D	St James C of E Primary School, Woodside Avenue, London, N10 3JA
Agreed 16 November 2021	Harringay	Tottenham	HAR-A	Willoughby Methodist Hall, Hampden Road, London, N8 0HU
Agreed 16 November 2021	Harringay	Tottenham	HAR-B	The Falkland Centre, Entrance on Frobisher Road, North Harringay Primary School, Falkland Road, London, N8 0NU
Agreed 16 November 2021	Harringay	Tottenham	HAR-C	South Harringay Junior School, Mattison Road, London, N4 1BD
Agreed 16 November 2021	Harringay	Tottenham	HAR-D	St Paul's Church Centre, Cavendish Road, London, N4 1RW
Agreed 16 November 2021	Hermitage & Gardens	Tottenham	HEG-A	Polling district HEG-A (to allow a portable building to be sited as appropriate at the time of the election)
Agreed 16 November 2021	Hermitage & Gardens	Tottenham	HEG-B	Tiverton Primary School, Pulford Road, London, N15 6SP
Agreed 16 November 2021	Hermitage & Gardens	Tottenham	HEG-C	Polling district HEG-C (to allow a portable building to be sited as appropriate at the time of the election)
Agreed 16 November 2021	Highgate	Hornsey & Wood Green	HGH-A	Highgate Primary Family Centre, Storey Road, North Hill, London, N6 4ED
Agreed 16 November 2021	Highgate	Hornsey & Wood Green	HGH-B	St Michael's CE Primary School, North Road, London, N6 4BG
Amended 2 February 2023	Highgate	Hornsey & Wood Green	HGH-C	Highgate Library, 1 Shepherd’s Hill, N6 5QJ
Agreed 16 November 2021	Highgate	Hornsey & Wood Green	HGH-D	Highgate International Church, 272 Archway Road, London, N6 5AU
Amended 2 February 2023	Hornsey	Hornsey & Wood Green	HRN-A	Moravian Church Priory Road, London, N8 7HR
Amended 2 February 2023	Hornsey	Hornsey & Wood Green	HRN-B	Kurdish Advice Centre,1 Eastfield Road, London N8 7AD
Agreed 16 November 2021	Hornsey	Hornsey & Wood Green	HRN-C	St. Mary’s CE Primary School, Church Lane, London, N8 7BU

Amended 2 February 2023	Hornsey	Hornsey & Wood Green	HRN-D	Middle Lane Methodist Church, 2E Lightfoot Rd, London N8 7JN
Agreed 16 November 2021	Hornsey	Hornsey & Wood Green	HRN-E	Hornsey School for Girls, Inderwick Road, London, N8 9JF
Agreed 16 November 2021	Muswell Hill	Hornsey & Wood Green	MUH-A	The Birchwood Hall, 171 Fortis Green Road, London, N10 3BG
Agreed 16 November 2021	Muswell Hill	Hornsey & Wood Green	MUH-B	Hornsey Parish Church, St Mary with St George, Cranley Gardens, London, N10 3AH
Agreed 16 November 2021	Muswell Hill	Hornsey & Wood Green	MUH-C	Polling district MUH-C (to allow a portable building to be sited as appropriate at the time of the election)
Amended 2 February 2023	Noel Park	Hornsey & Wood Green	NOP-A	Wood Green Central Library, High Road, London, N22 6XD
Amended 2 February 2023	Noel Park	Hornsey & Wood Green	NOP-B	London Alevi Cultural Centre and Cemevi , 19 Clarendon Road, Hornsey N8 0DD, London
Agreed 16 November 2021	Noel Park	Hornsey & Wood Green	NOP-C	St Mark's Church, Ashley Crescent/Gladstone Ave, Noel Park, Wood Green N22 6LJ
Agreed 16 November 2021	Noel Park	Hornsey & Wood Green	NOP-D	Noel Park Primary School, Gladstone Avenue, London, N22 6LH
Agreed 16 November 2021	Northumberland Park	Tottenham	NUP-A	Calvary Church, Northumberland Park, London, N17 0TB
Agreed 16 November 2021	Northumberland Park	Tottenham	NUP-B	The Old Bell Brewery, 676a High Road, London, N17 0AE
Agreed 16 November 2021	Northumberland Park	Tottenham	NUP-C	Neighbourhood Resource Centre, 177 Park Lane, London, N17 0HJ
Agreed 16 November 2021	Northumberland Park	Tottenham	NUP-D	Harris Primary Academy, Halefield Road, London, N17 9XT
Amended 2 February 2023	Seven Sisters	Tottenham	SES-A	Polling district SES-A (to allow a portable building to be sited as appropriate at the time of the election)
Agreed 16 November 2021	Seven Sisters	Tottenham	SES-B	Triangle Community Centre, 91- 93 St Ann's Road, London, N15 6NU
Agreed 16 November 2021	South Tottenham	Tottenham	SOT-A	Welbourne Children Centre, Stainby Road, London, N15 4EA

Agreed 16 November 2021	South Tottenham	Tottenham	SOT-B	Earlsmead Primary School, Wakefield Road entrance, London, N15 4PW
Agreed 16 November 2021	South Tottenham	Tottenham	SOT-C	Crowland Primary School, Crowland Road, London, N15 6UX
Agreed 16 November 2021	South Tottenham	Tottenham	SOT-D	Ferry Lane Primary School, Jarrow Road, Ferry Lane Estate, London, N17 9PS
Agreed 16 November 2021	St Ann’s	Tottenham	STA-A	St John Vianney, Stanley Road, London, N15 3HD
Agreed 16 November 2021	St Ann’s	Tottenham	STA-B	Chestnuts Primary School, Etherley Road, London, N15 3AS
Agreed 16 November 2021	St Ann’s	Tottenham	STA-C	St Ann's Church Hall, Avenue Road, London, N15 5JH
Agreed 16 November 2021	Stroud Green	Hornsey & Wood Green	STG-A	Hornsey Vale Community Centre, 60 Mayfield Road, N8 9LP
Agreed 16 November 2021	Stroud Green	Hornsey & Wood Green	STG-B	Holy Trinity Church Hall, Stapleton Hall Road, London, N4 4RH
Agreed 16 November 2021	Stroud Green	Hornsey & Wood Green	STG-C	Stroud Green School, Corner of Woodstock Road and Perth Road, London, N4 3EX
Agreed 16 November 2021	Stroud Green	Tottenham	STG-CT	Stroud Green School, Corner of Woodstock Road and Perth Road, London, N4 3EX
Agreed 16 November 2021	Tottenham Central	Tottenham	TCL-A	Miller Memorial Hall, The Avenue, London, N17 6TG
Agreed 16 November 2021	Tottenham Central	Tottenham	TCL-B	Bruce Grove Primary School, Sperling Road, London, N17 6UH
Amended 2 February 2023	Tottenham Central	Tottenham	TCL-C	Dorset Hall, Dorset Road, London, N15 5AF
Amended 2 February 2023	Tottenham Central	Tottenham	TCL-D	Tottenham Green Leisure Centre and Marcus Garvey Library site, 1 Philip Lane, London, N15 4JA
Agreed 16 November 2021	Tottenham Hale	Tottenham	THL-A	Mulberry Primary School, Parkhurst Road, London, N17 9RB
Agreed 16 November 2021	Tottenham Hale	Tottenham	THL-B	Mitchley Road Halls, Mitchley Road, London, N17 9HG

Agreed 16 November 2021	Tottenham Hale	Tottenham	THL-C	The Engine Room, Eagle Heights, Lebus Street, London, N17 9FU
Amended 2 February 2023	West Green	Tottenham	WEG-A	St Benet Fink Hall, Walpole Road, London, N17 6BH
Agreed 16 November 2021	West Green	Hornsey & Wood Green	WEG-AH	St Benet Fink Hall, Walpole Road, London, N17 6BH
Agreed 16 November 2021	West Green	Tottenham	WEG-B	Broadwater Farm Community Centre, Adams Road, London, N17 6HE
Amended 2 February 2023	West Green	Tottenham	WEG-C	Milton Road Community Centre, Between Willow Walk & Milton Road, London, N15 3DT
Amended 2 February 2023	West Green	Tottenham	WEG-D	St Phillips the Apostle Church Hall, Philip Lane, London, N15 4HJ
Amended 2 February 2023	West Green	Tottenham	WEG-E	Harris Primary Academy, Philip Lane, London, N15 4AB
Agreed 16 November 2021	White Hart Lane	Tottenham	WHL-A	Coles Park, White Hart Lane, London, N17 7JP
Agreed 16 November 2021	White Hart Lane	Hornsey & Wood Green	WHL-BH	Eldon Road Baptist Church, Eldon Road, London, N22 5DT
Agreed 16 November 2021	White Hart Lane	Tottenham	WHL-C	Trinity Church, 8 Gospatrick Road, London, N17 7EE
Agreed 16 November 2021	White Hart Lane	Tottenham	WHL-D	Risley Avenue Primary School, The Roundway, London, N17 7AB
Agreed 16 November 2021	Woodside	Hornsey & Wood Green	WOD-A	New Testament Church of God, Arcadian Gardens, High Road, London, N22 8JR
Agreed 16 November 2021	Woodside	Tottenham	WOD-AT	New Testament Church of God, Arcadian Gardens, High Road, London, N22 8JR
Agreed 16 November 2021	Woodside	Hornsey & Wood Green	WOD-B	Cypriot Community Centre, Earlham Grove, London, N22 5HJ
Agreed 16 November 2021	Woodside	Hornsey & Wood Green	WOD-C	St Michaels Church Hall, 37 Bounds Green Road, London, N22 8SD
Agreed 16 November 2021	Woodside	Hornsey & Wood Green	WOD-D	Winkfield Resource Centre, 33 Winkfield Road, London, N22 5RP

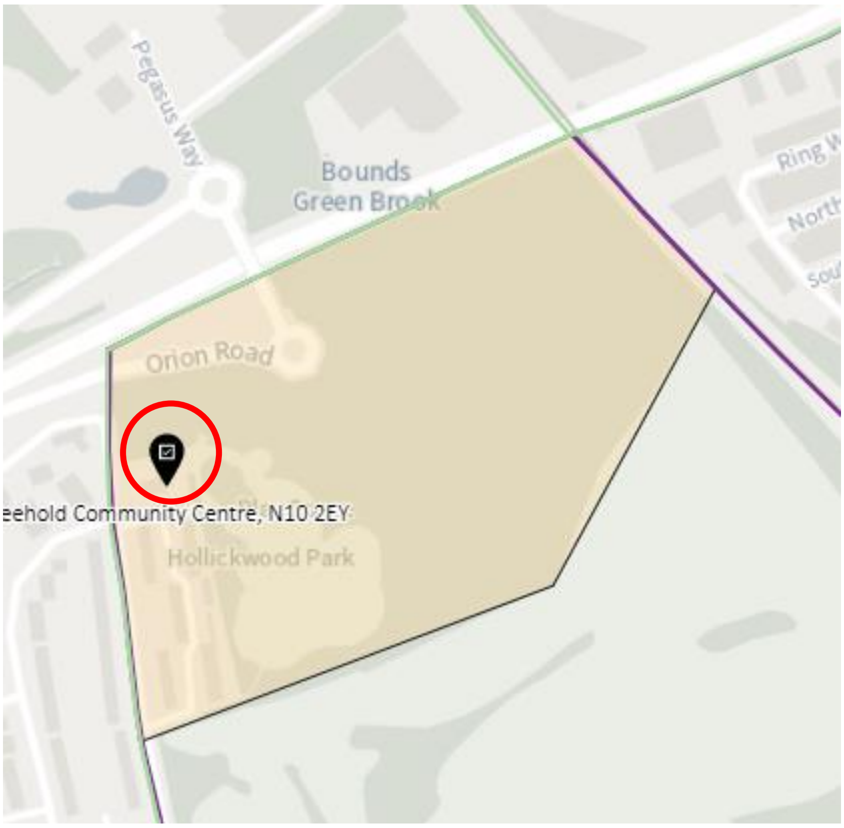
Whole borough map showing proposed changes



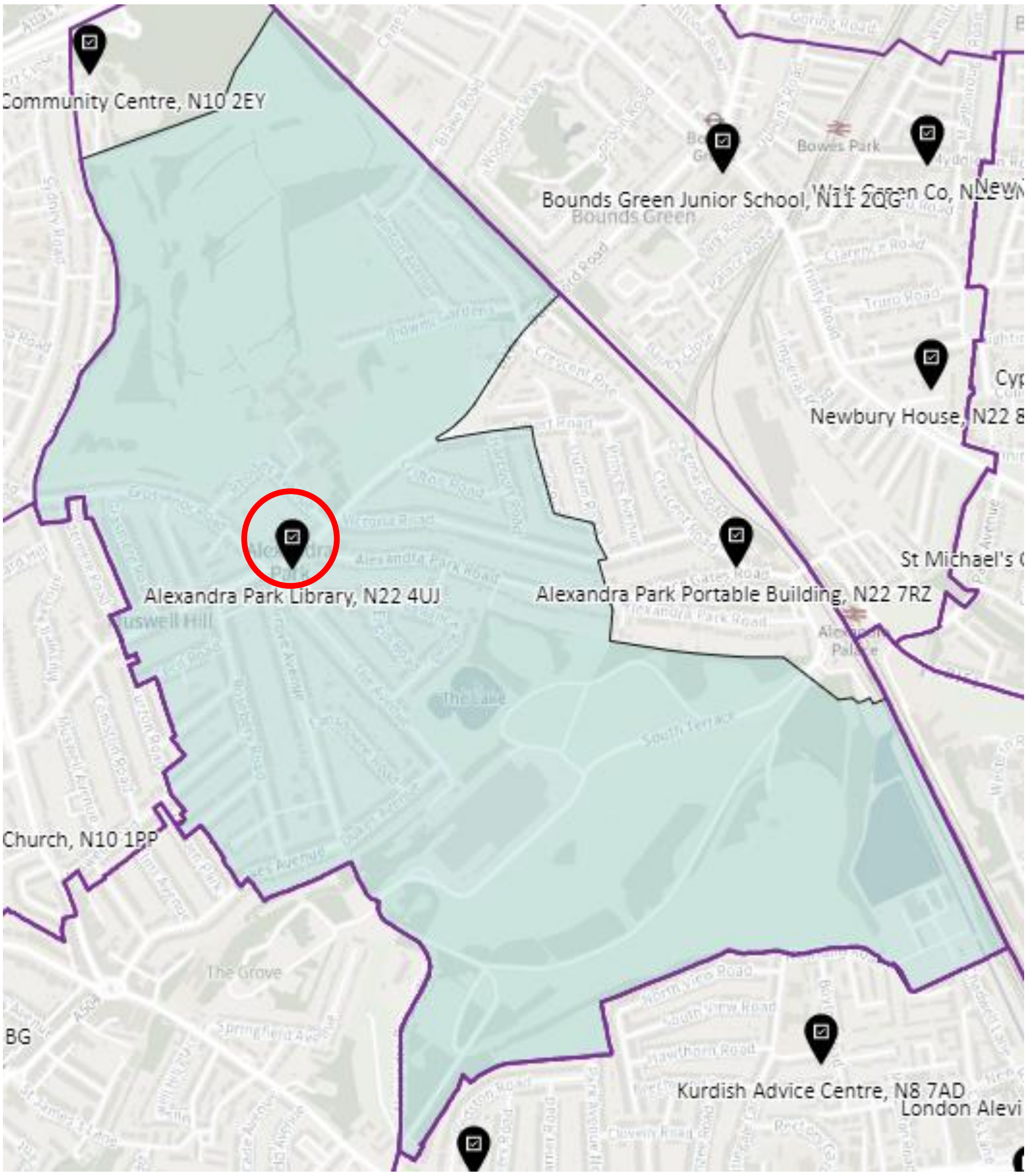
Page 27

1. Ward: Alexandra Park

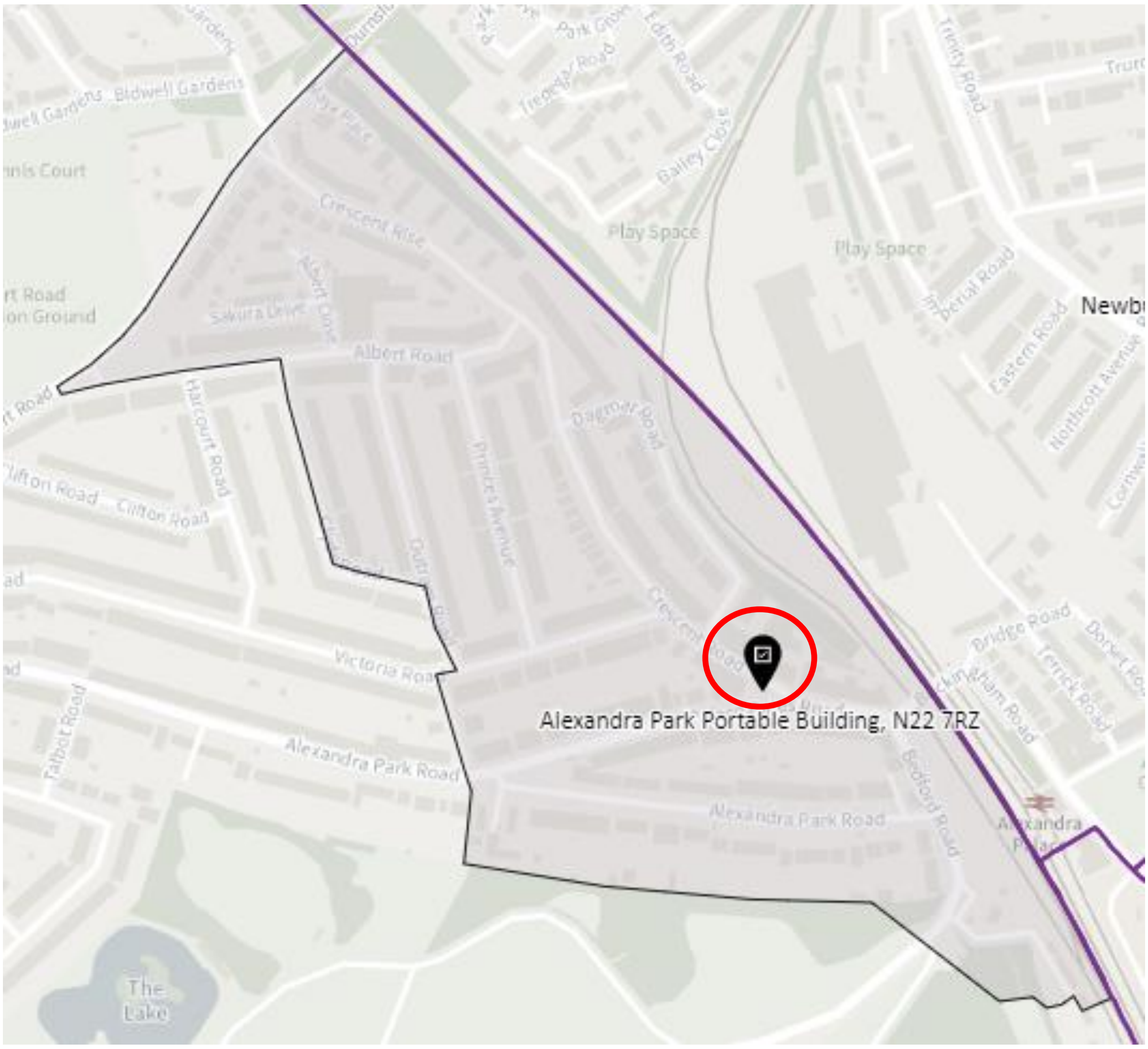
District: APK-A



District: APK-B

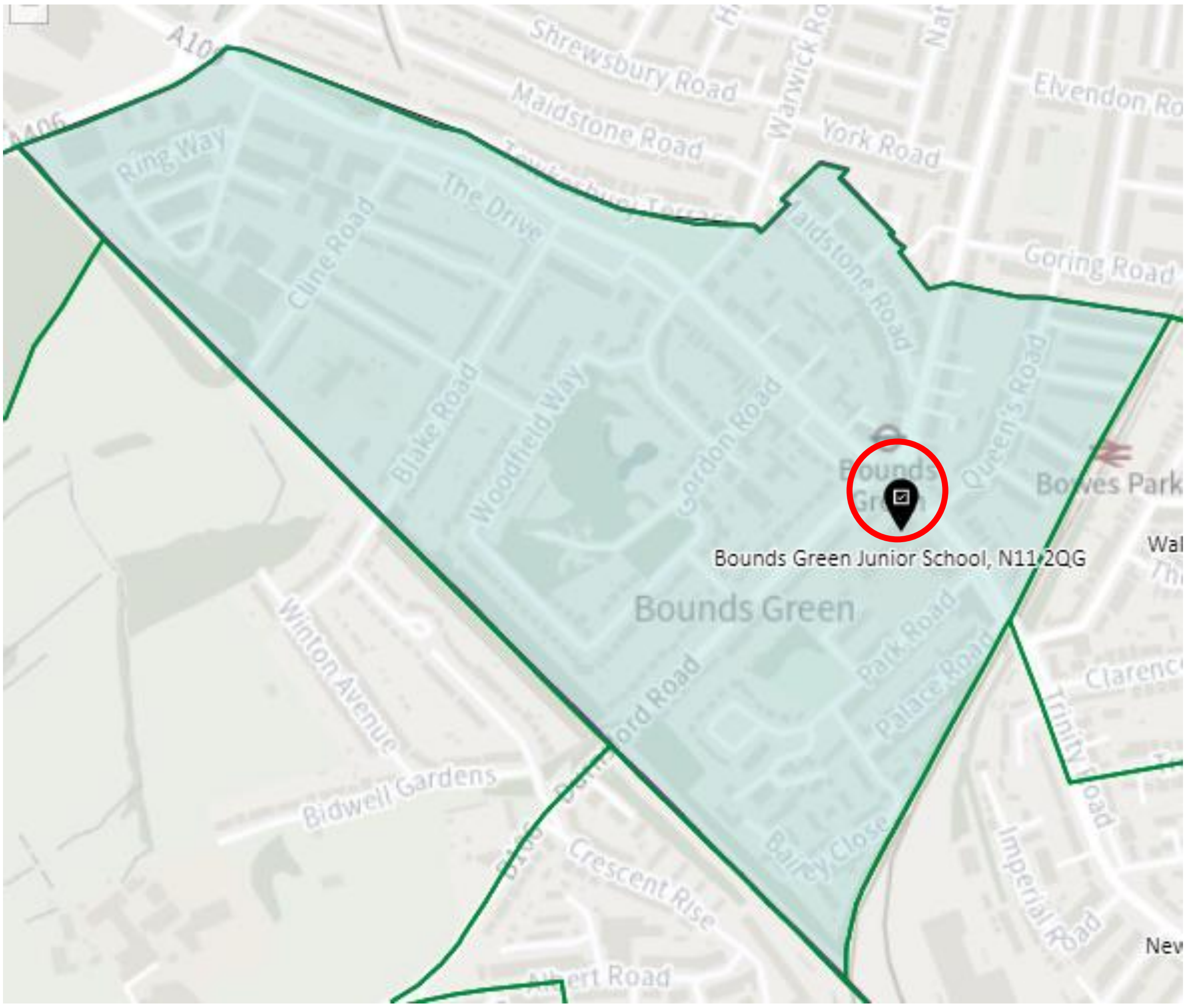


District: APK-C



2. Ward: Bounds Green

District: BGR-A

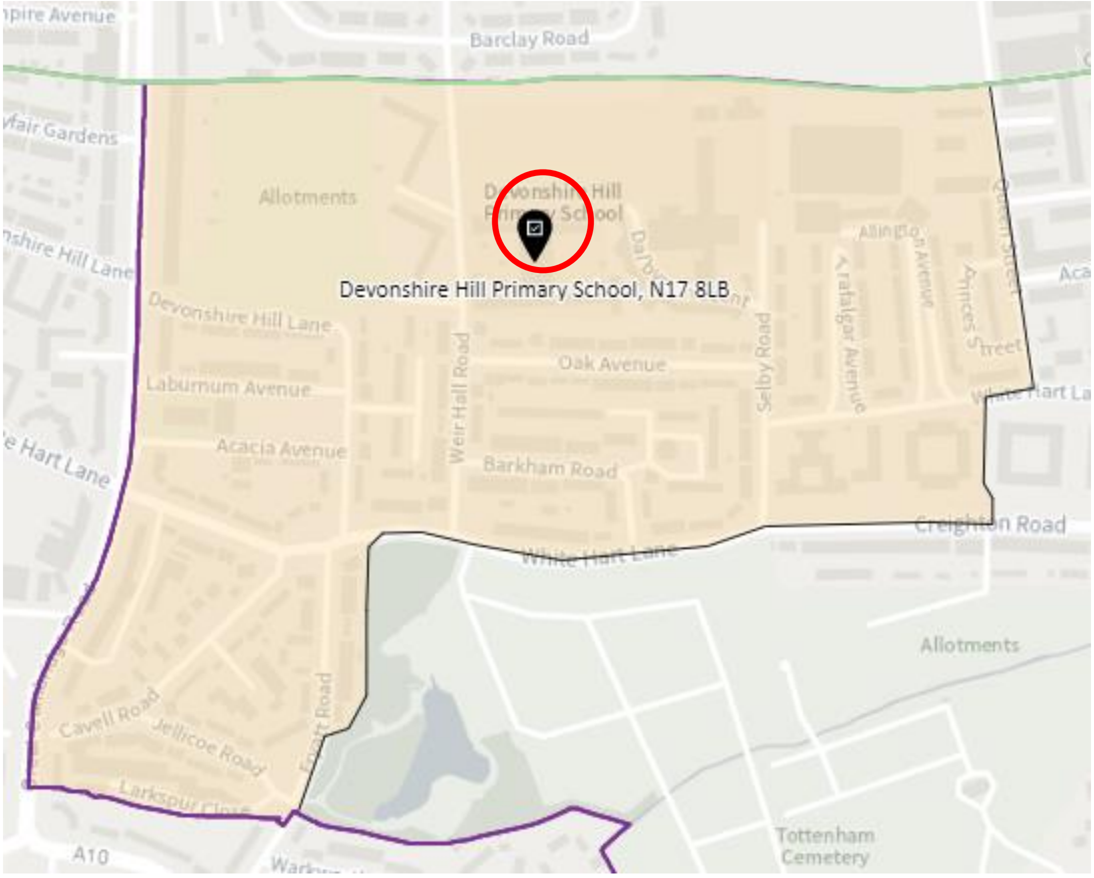


District: BGR- B

District: BGR-C

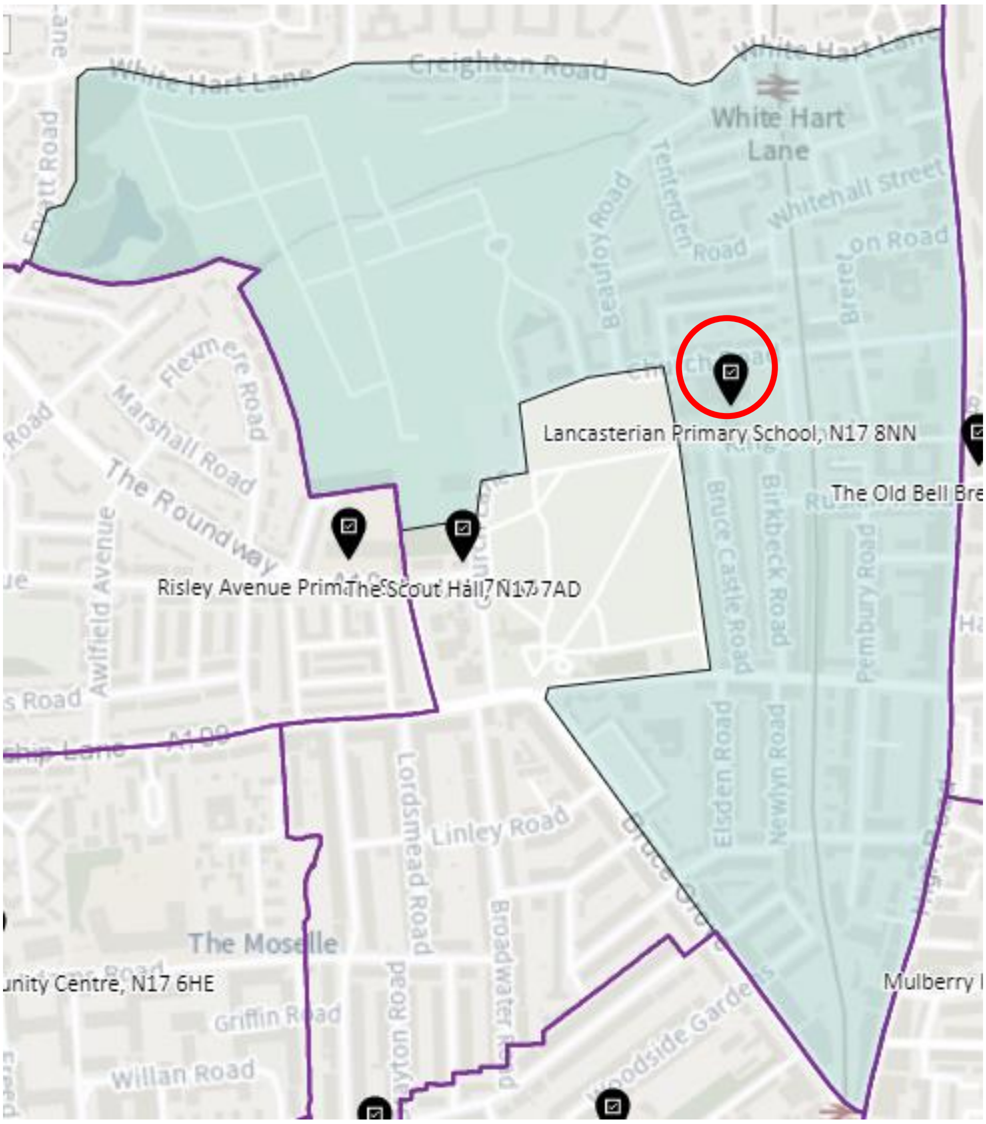
3. Ward: Bruce Castle

District: BRC-A

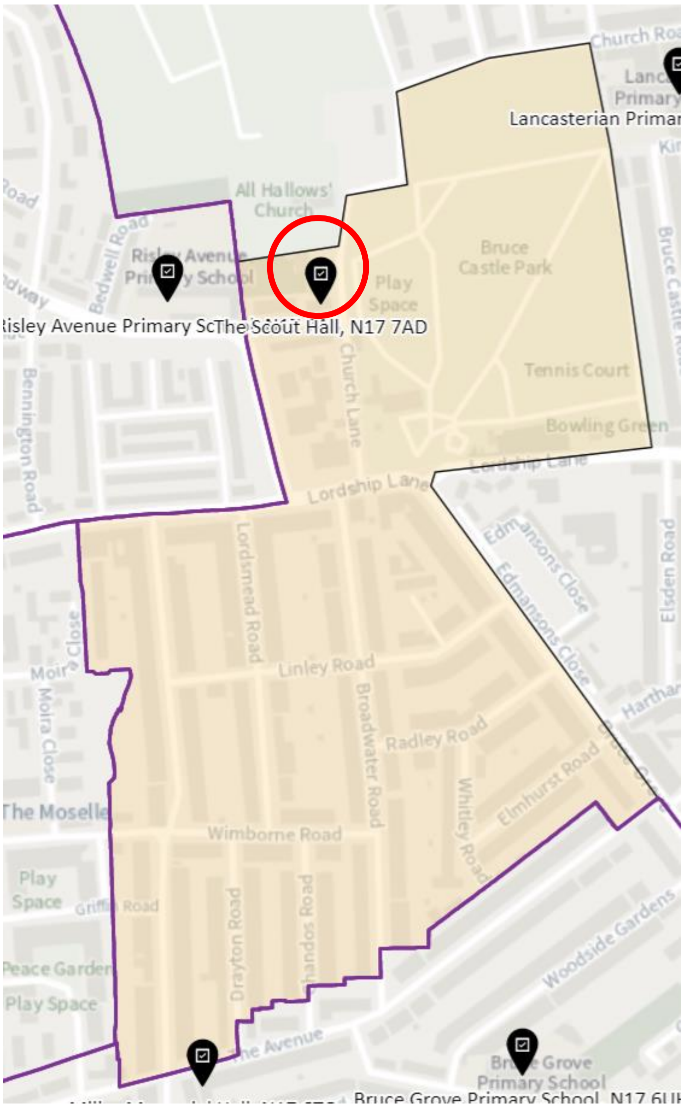


District: BCR-B

District: BRC-C

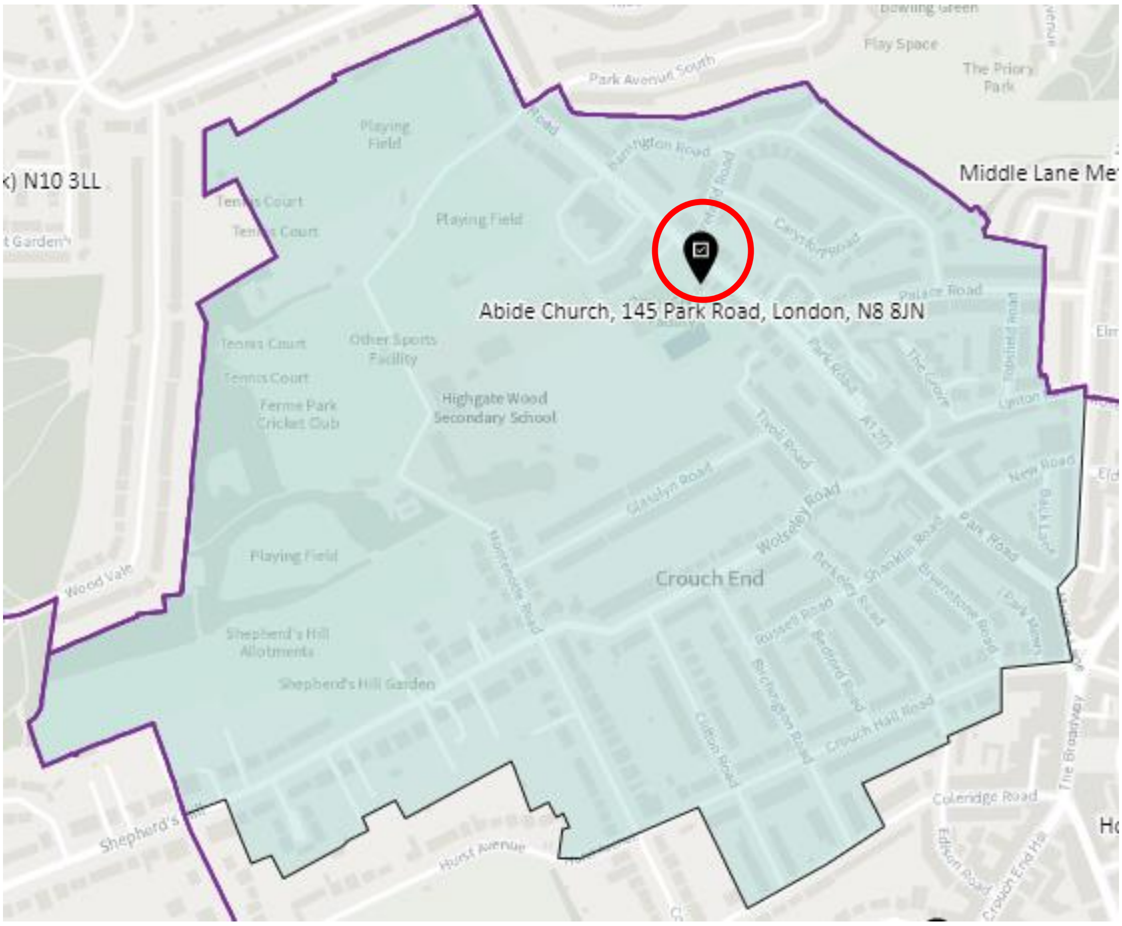


District: BRC-D

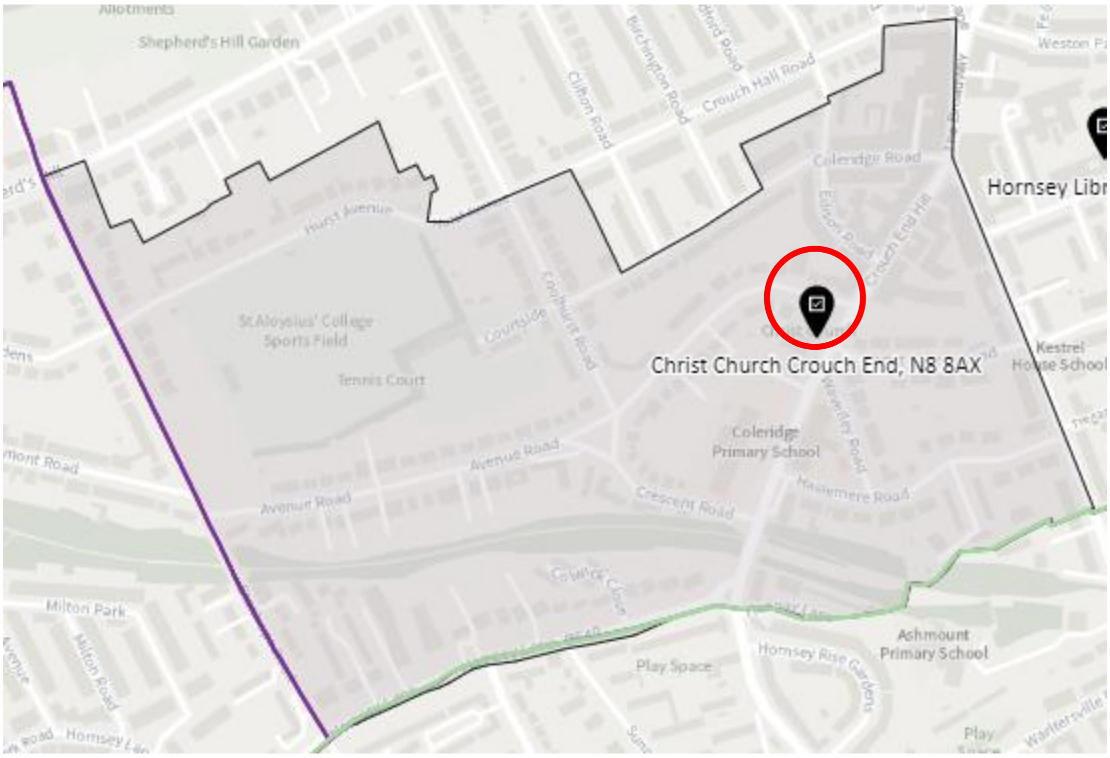


4. Ward: Crouch End

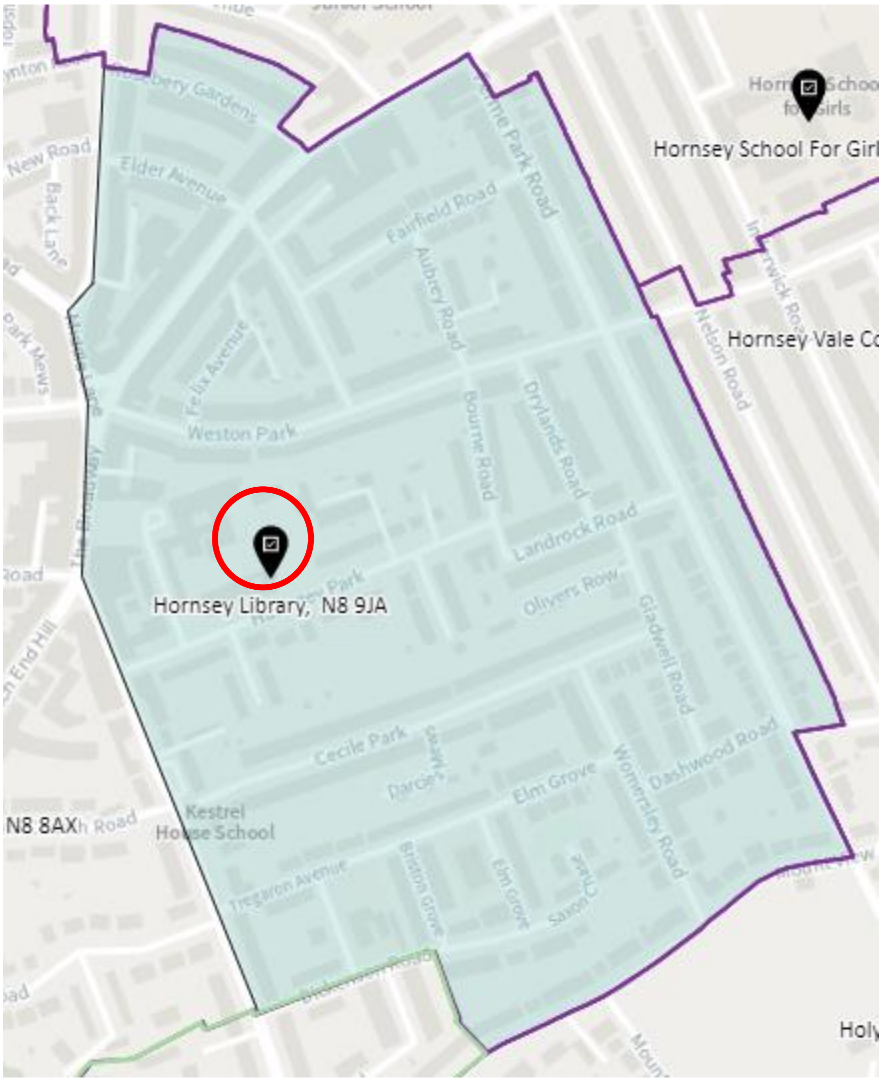
District: CEN-A



District: CEN-B



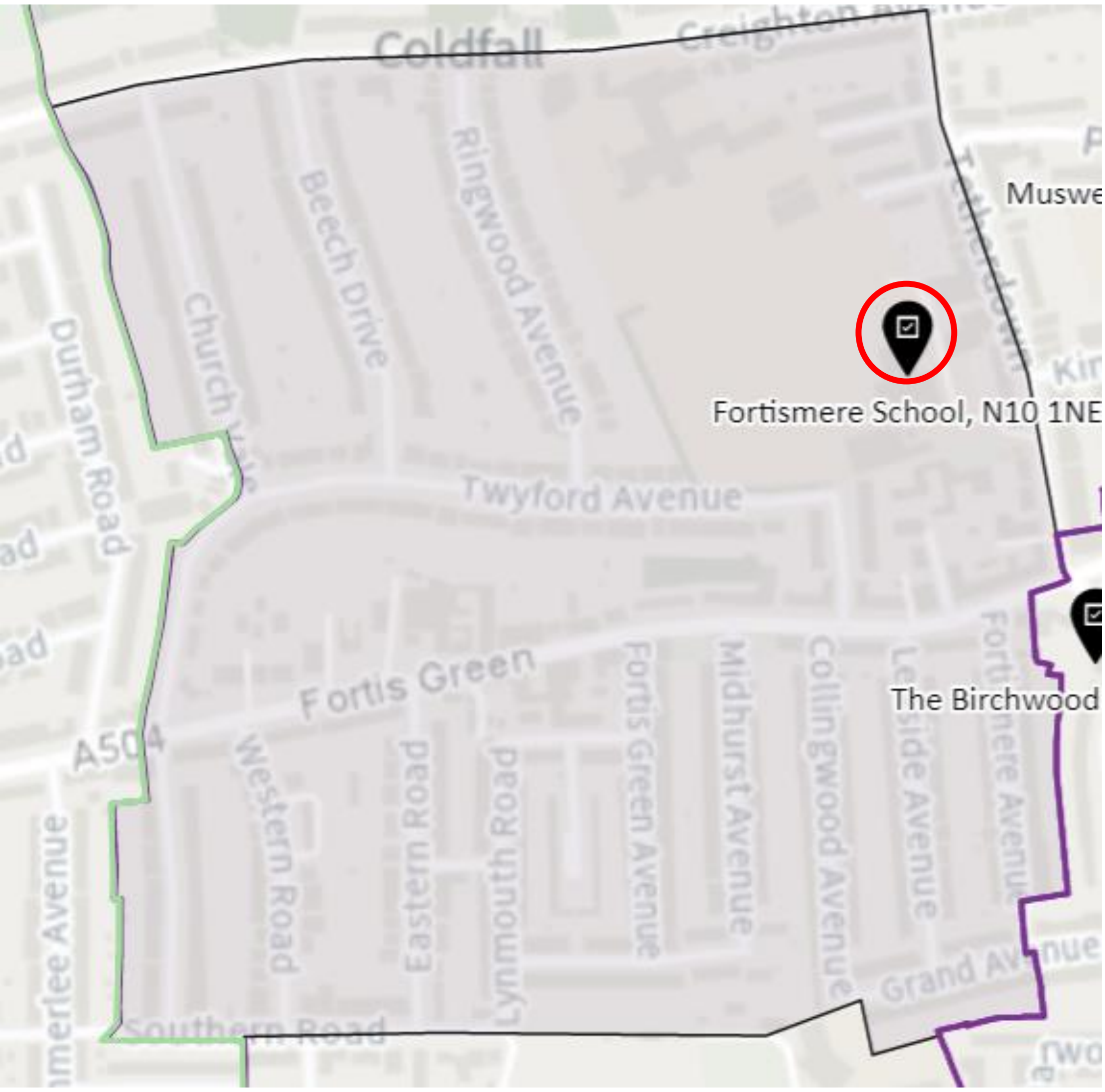
District: CEN-C



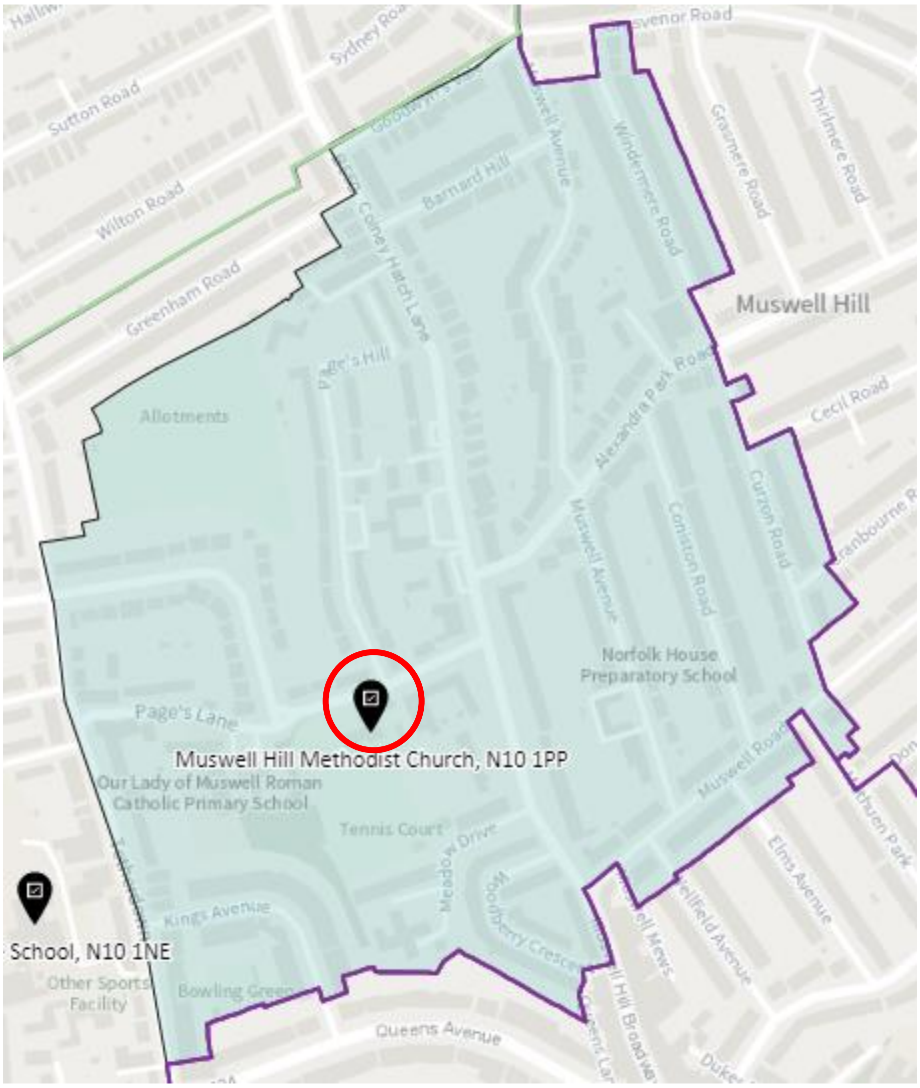
5. Ward: Fortis Green

District: FGR-A

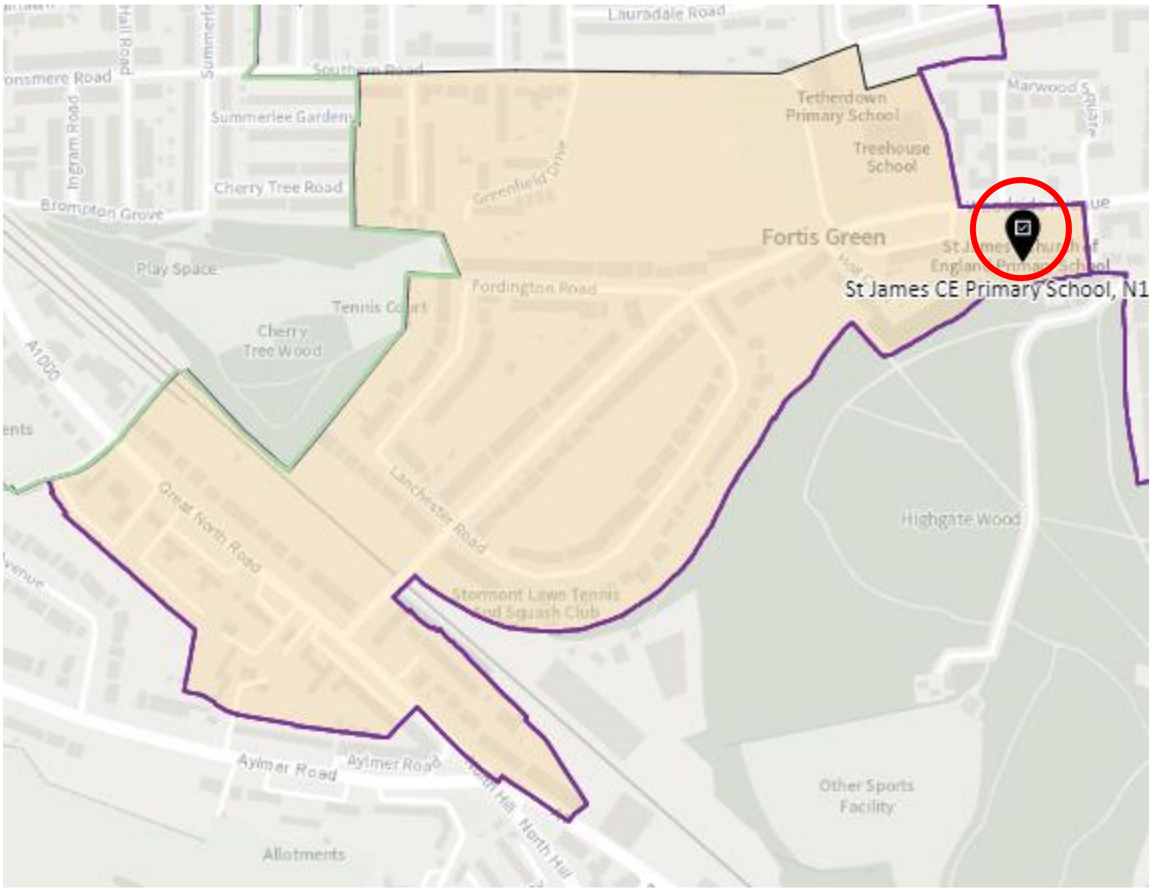
District: FGR-B



District: FGR-C

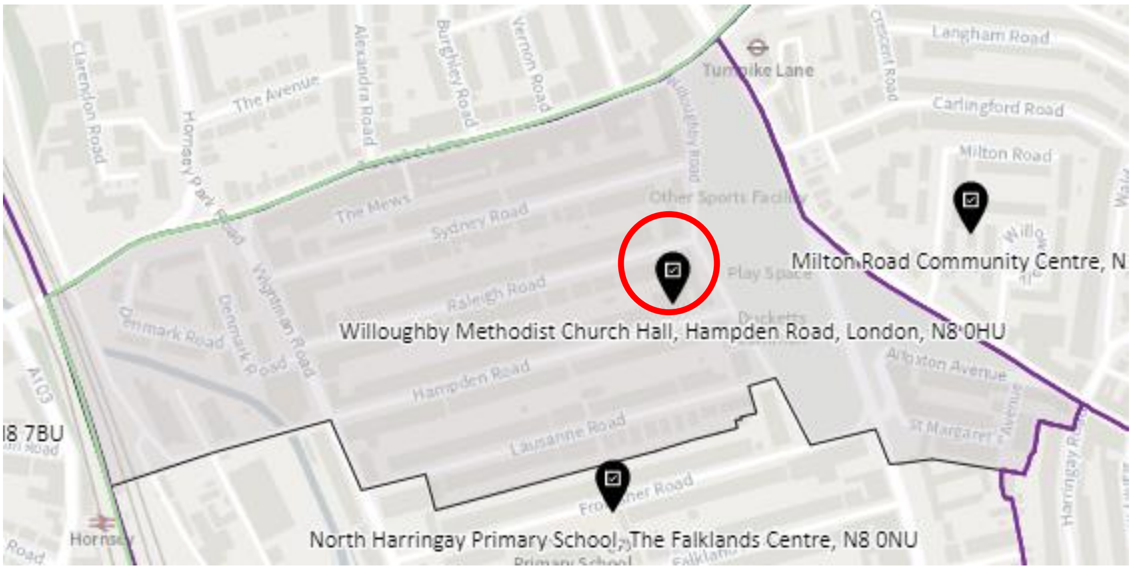


District: FGR-D

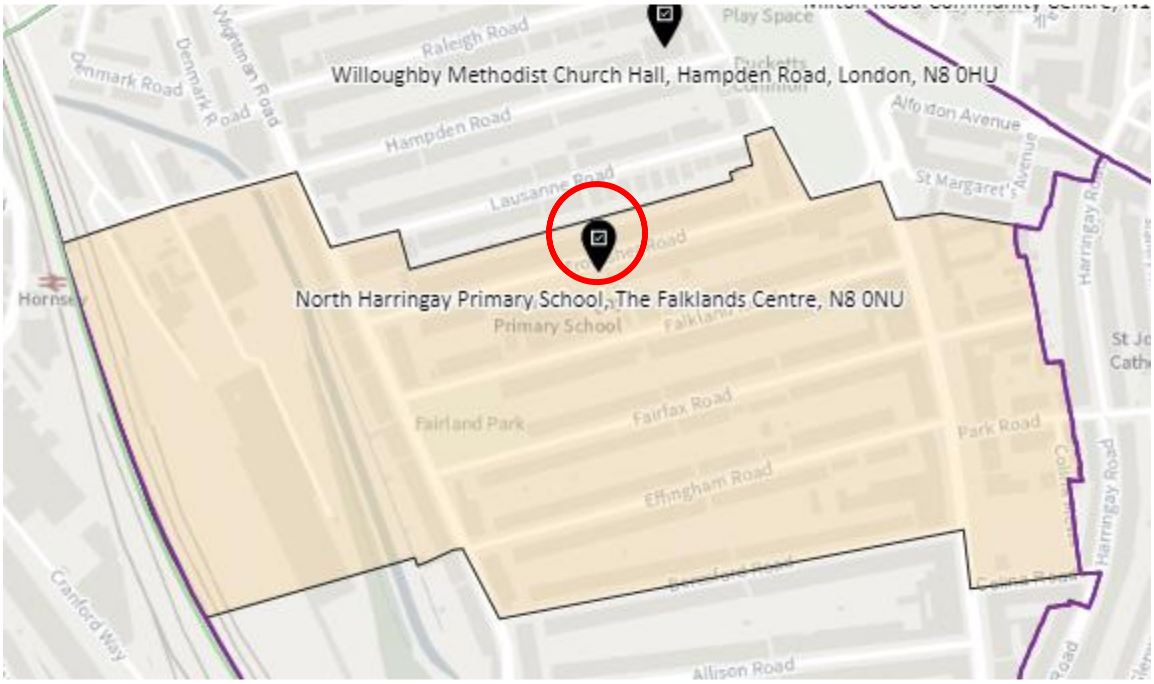


6. Ward: Harringay

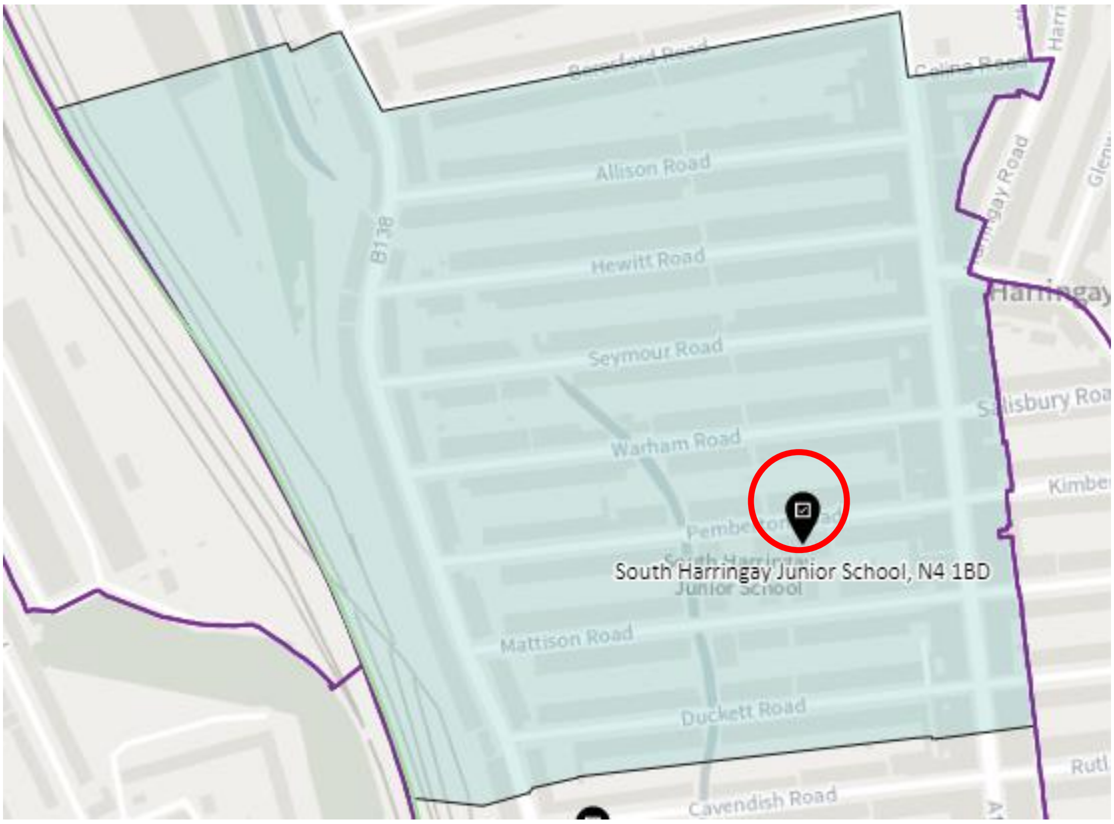
District: HAR-A



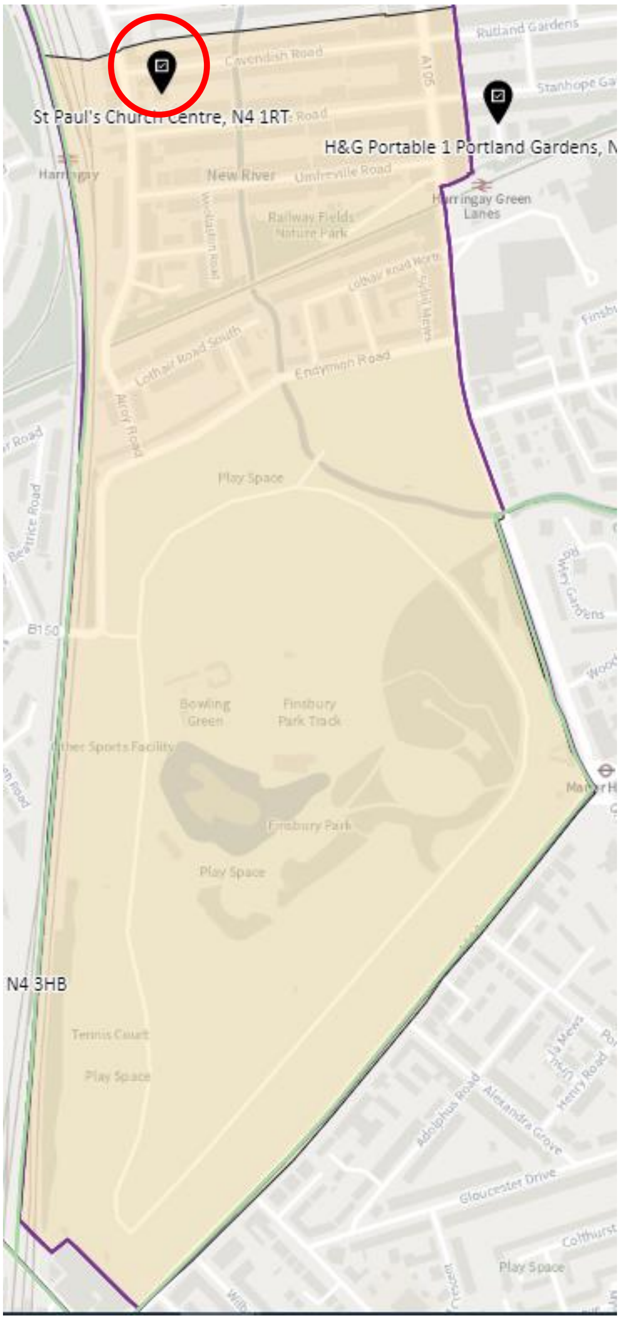
District: HAR-B



District: HAR-C

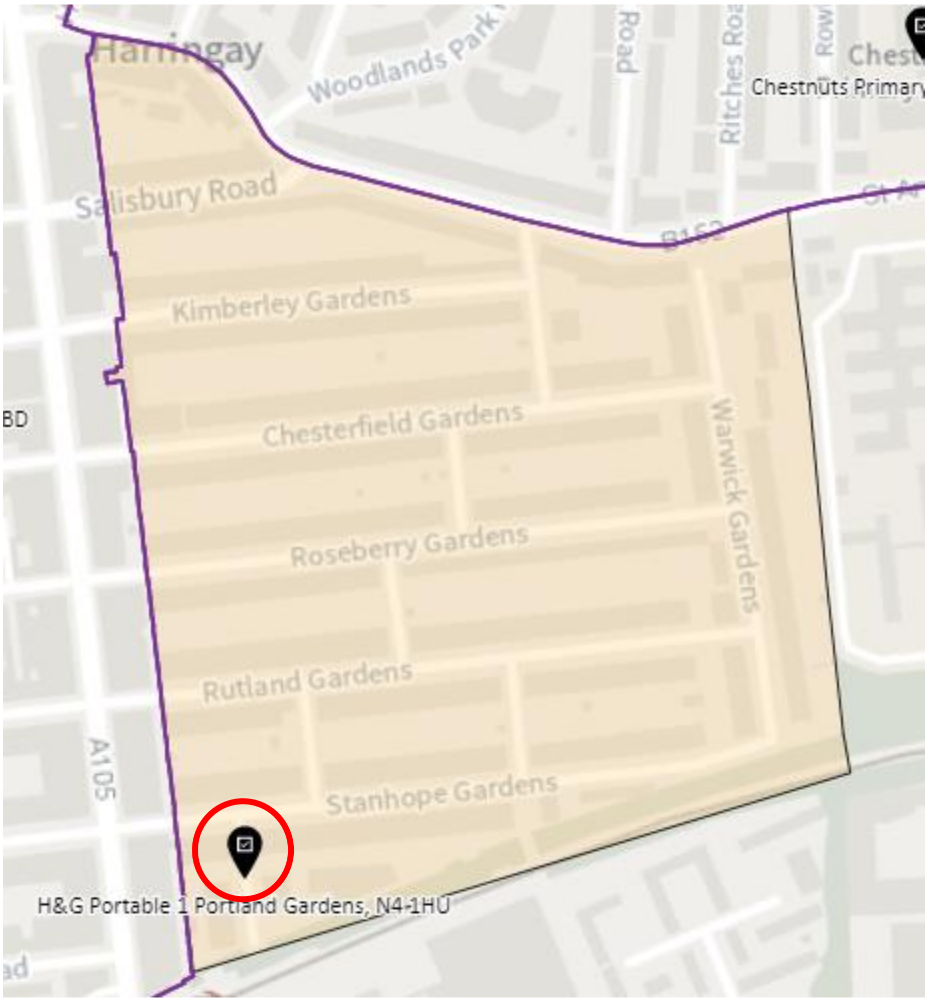


District: HAR-D

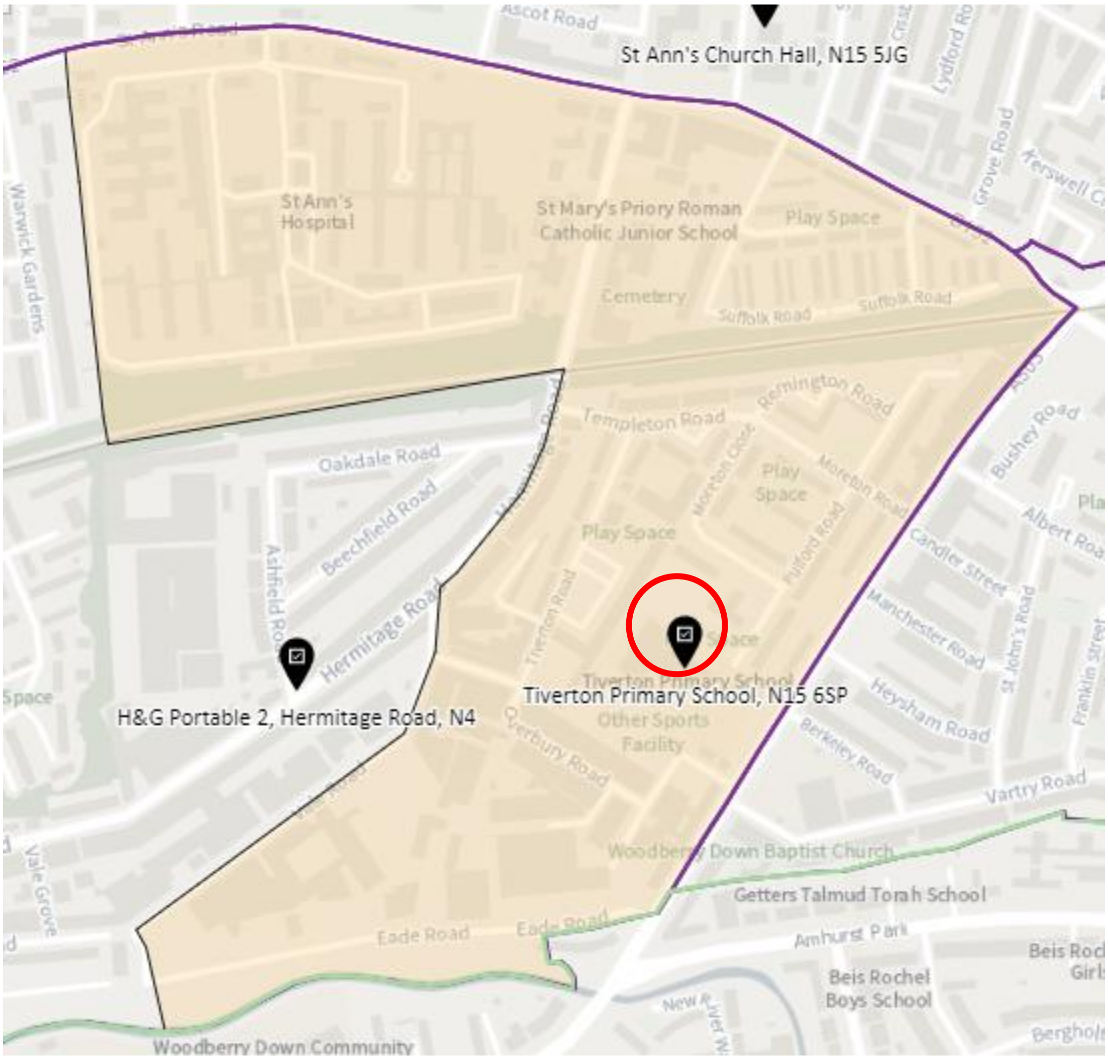


7. Ward: Hermitage & Gardens

District: HEG-A



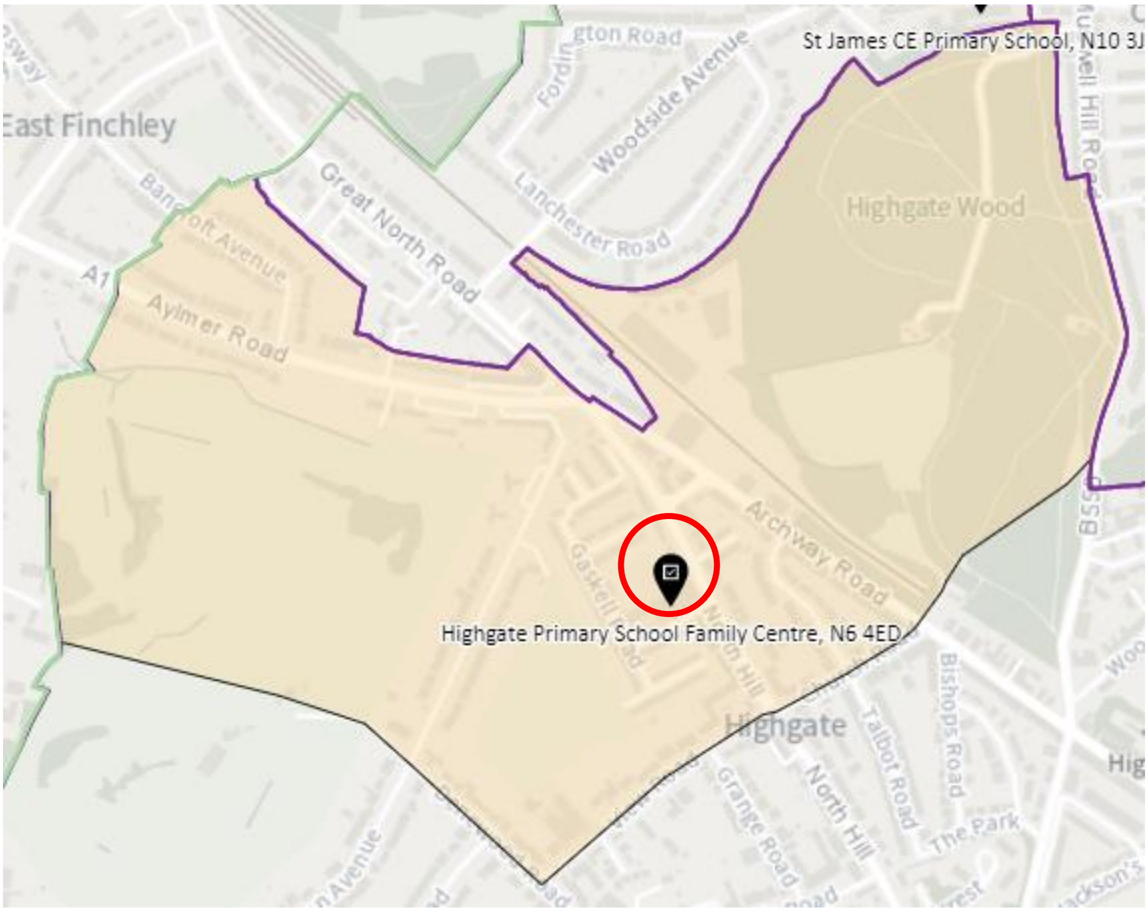
District: HEG-B



District: HEG-C

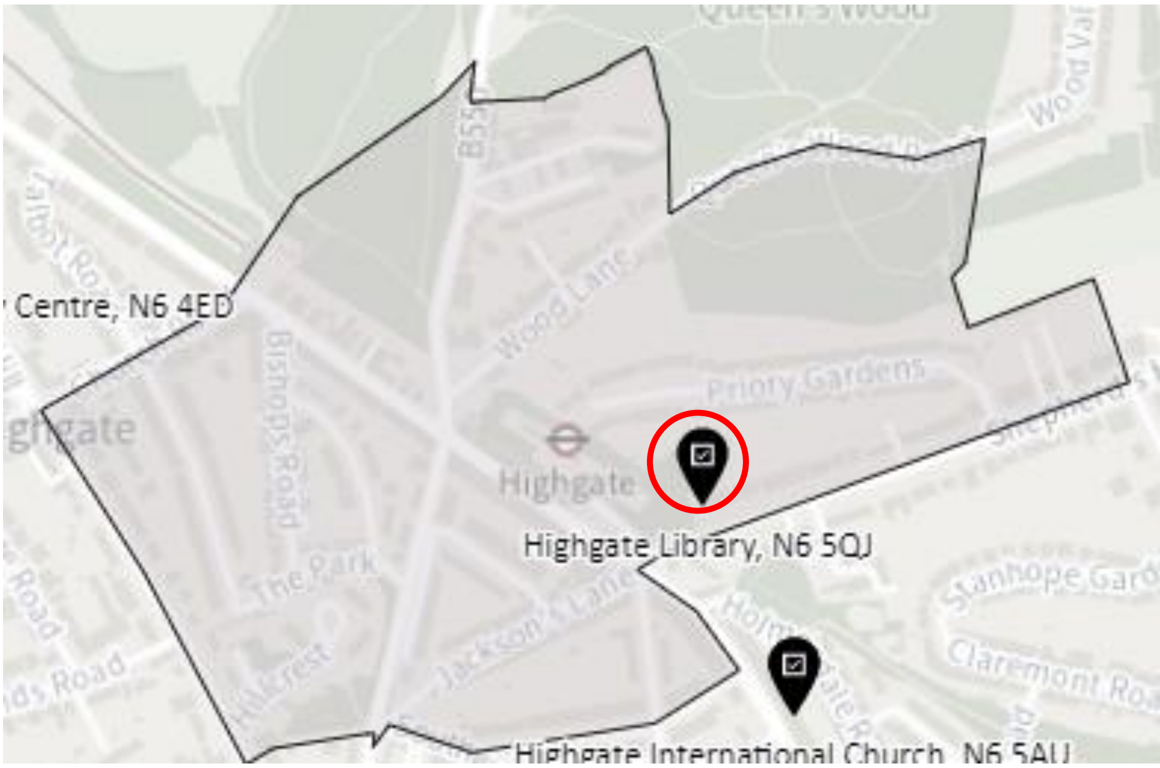
8. Ward: Highgate

District: HGH-A

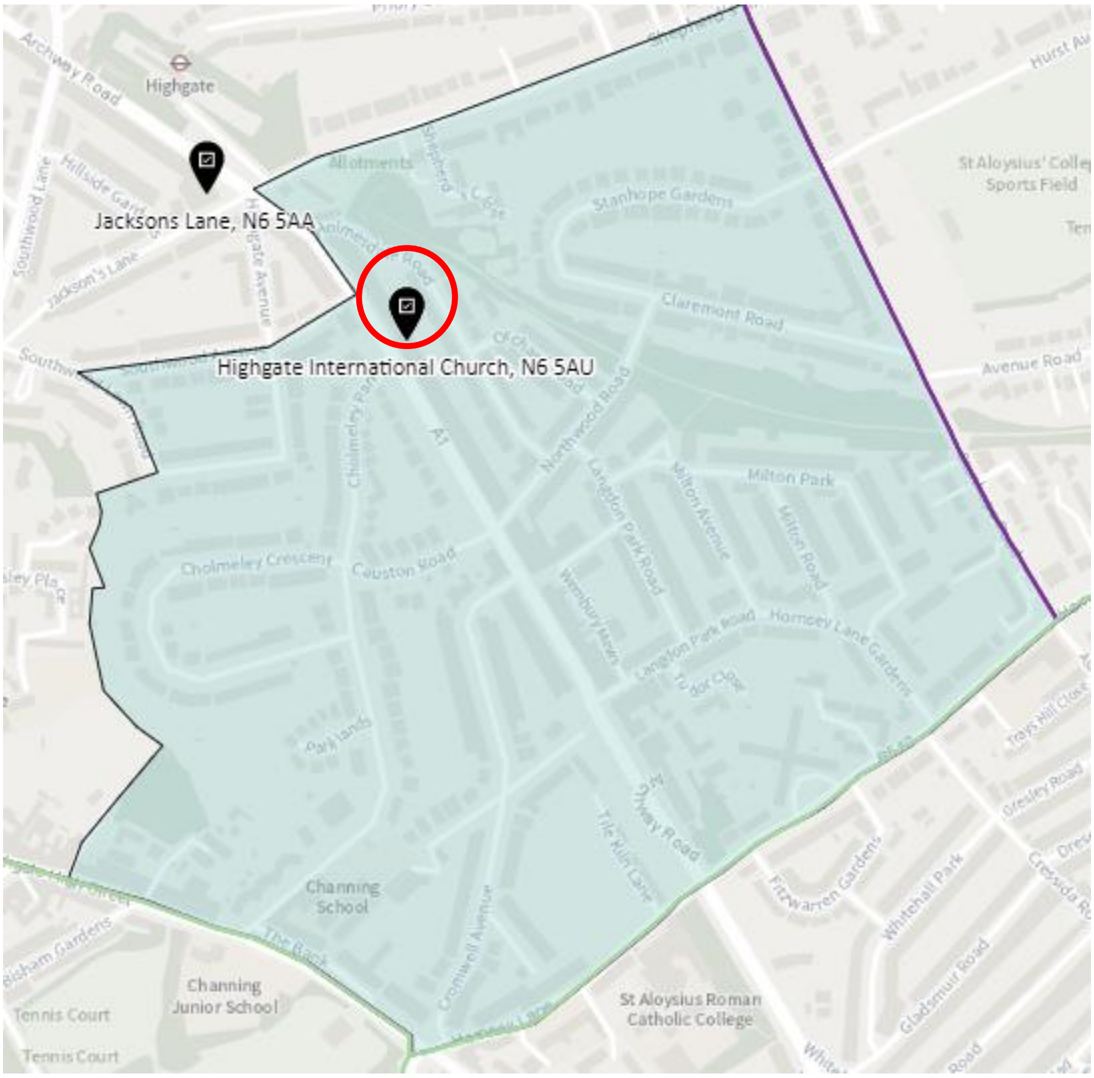


District: HGH-B

District: HGH-C

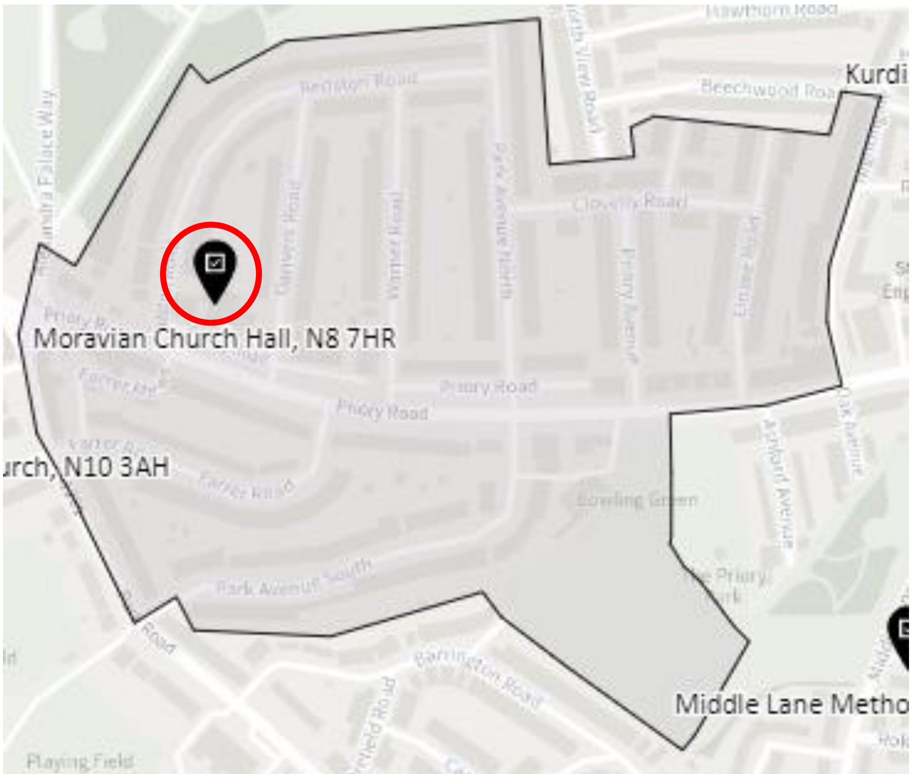


District: HGH-D

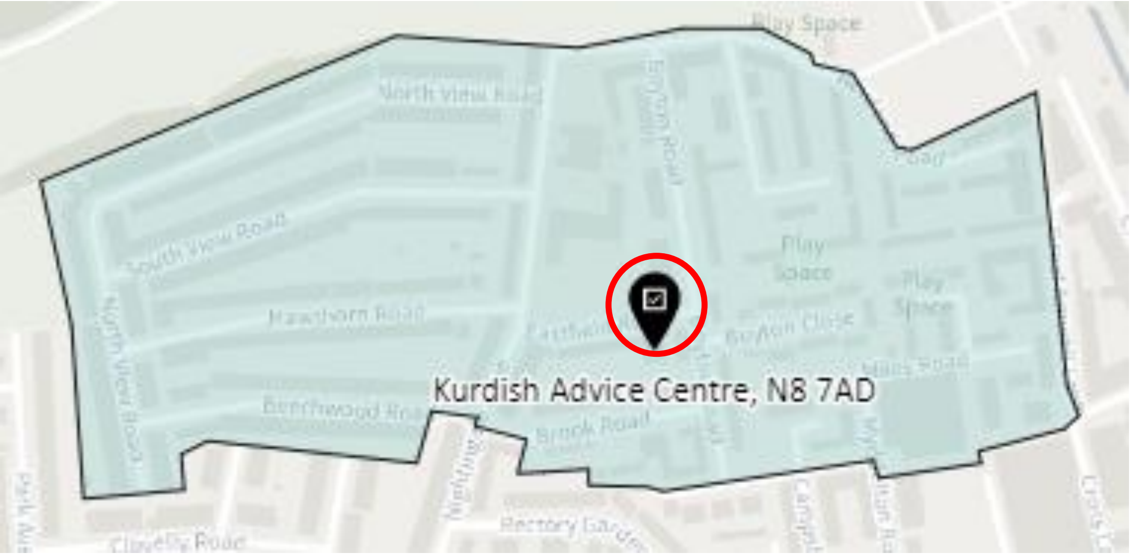


9. Ward: Hornsey

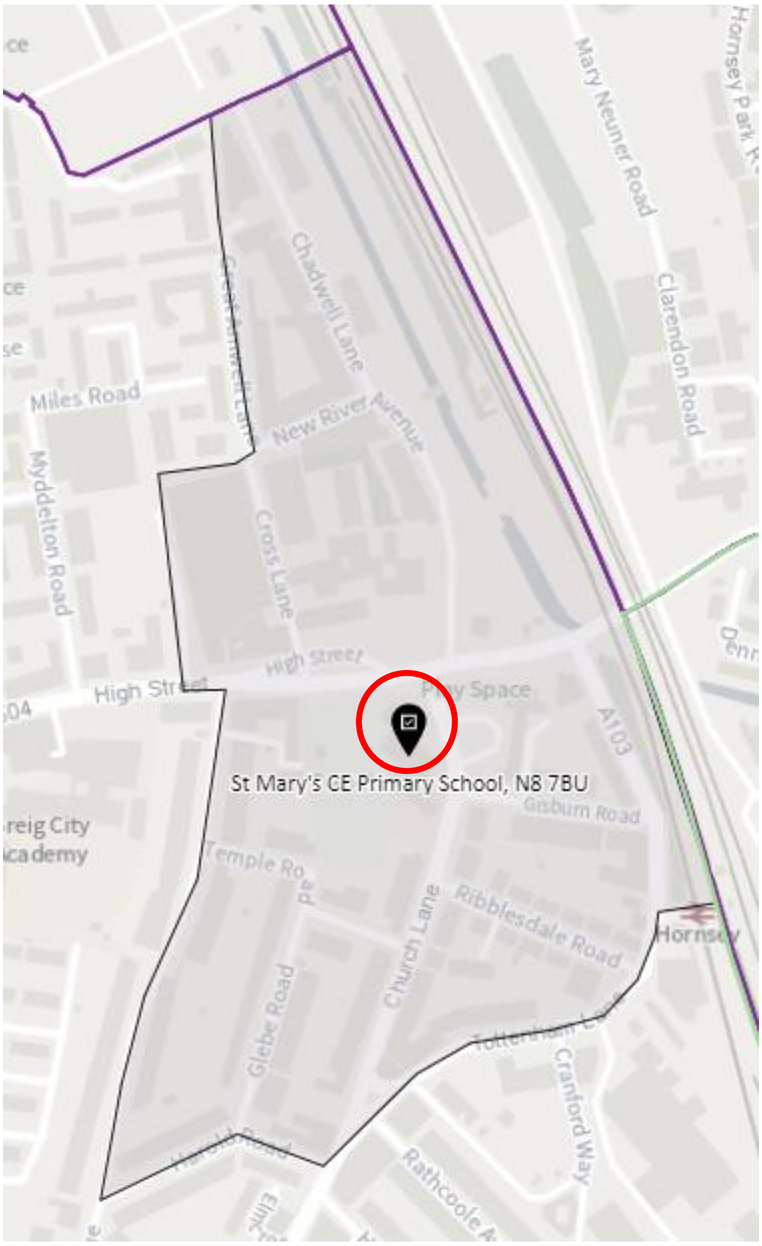
District: HRN-A



District: HRN-B

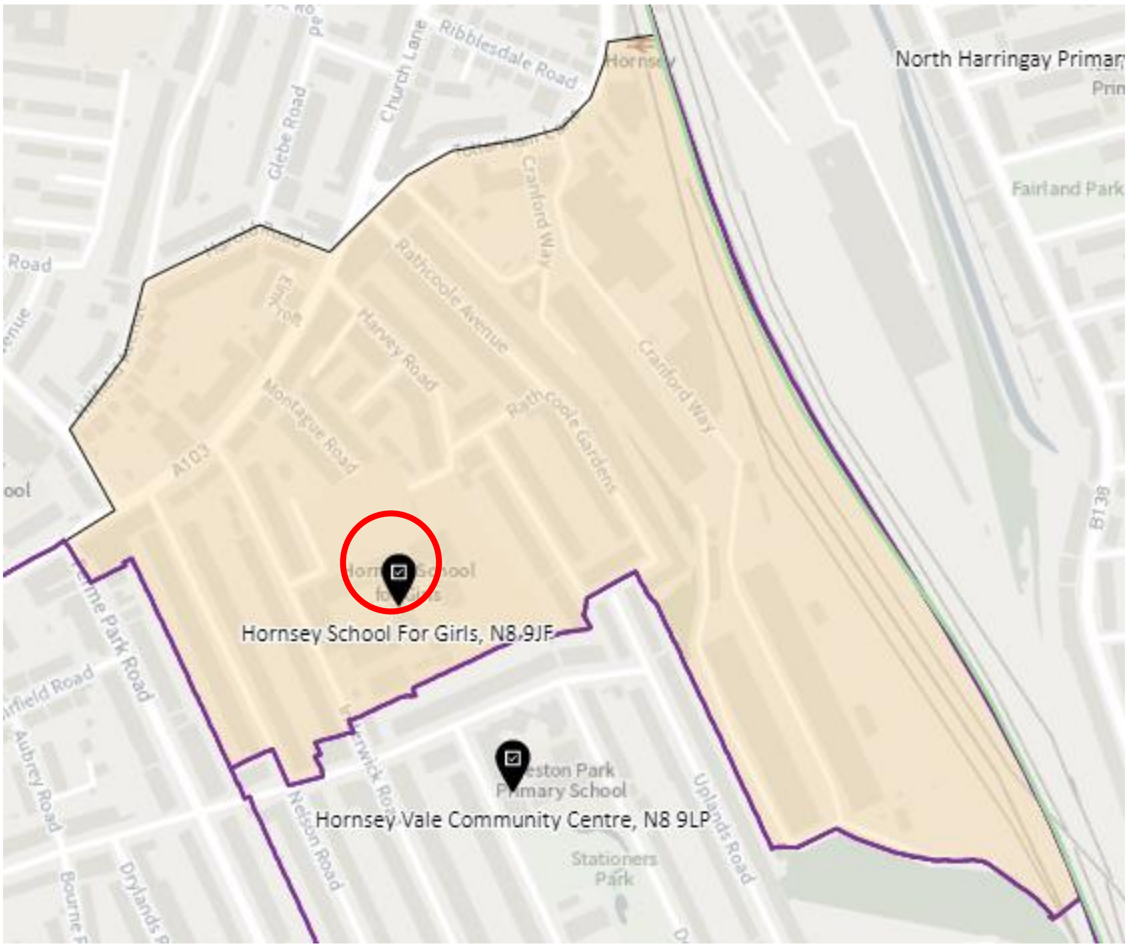


District: HRN-C



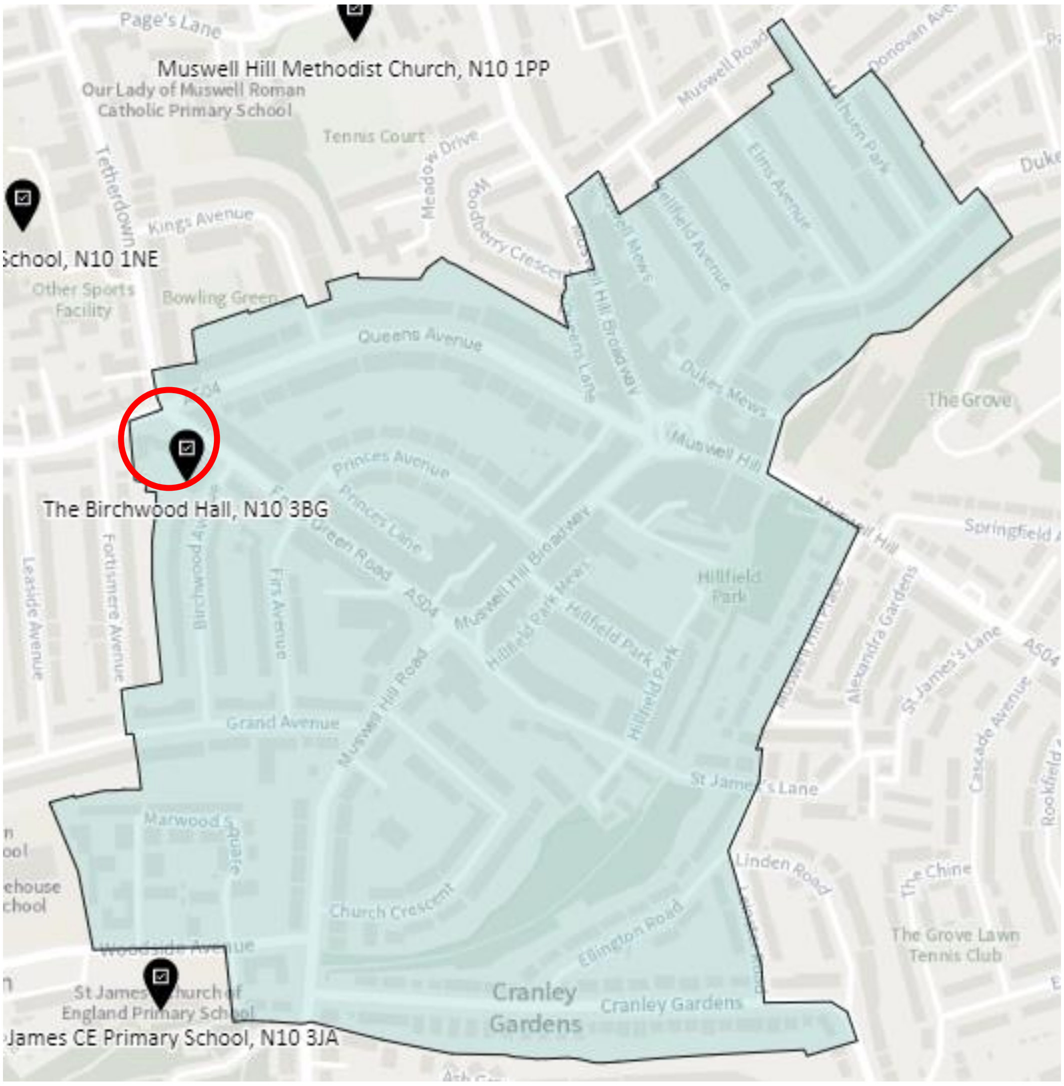
District: HRN- D

District: HRN-E

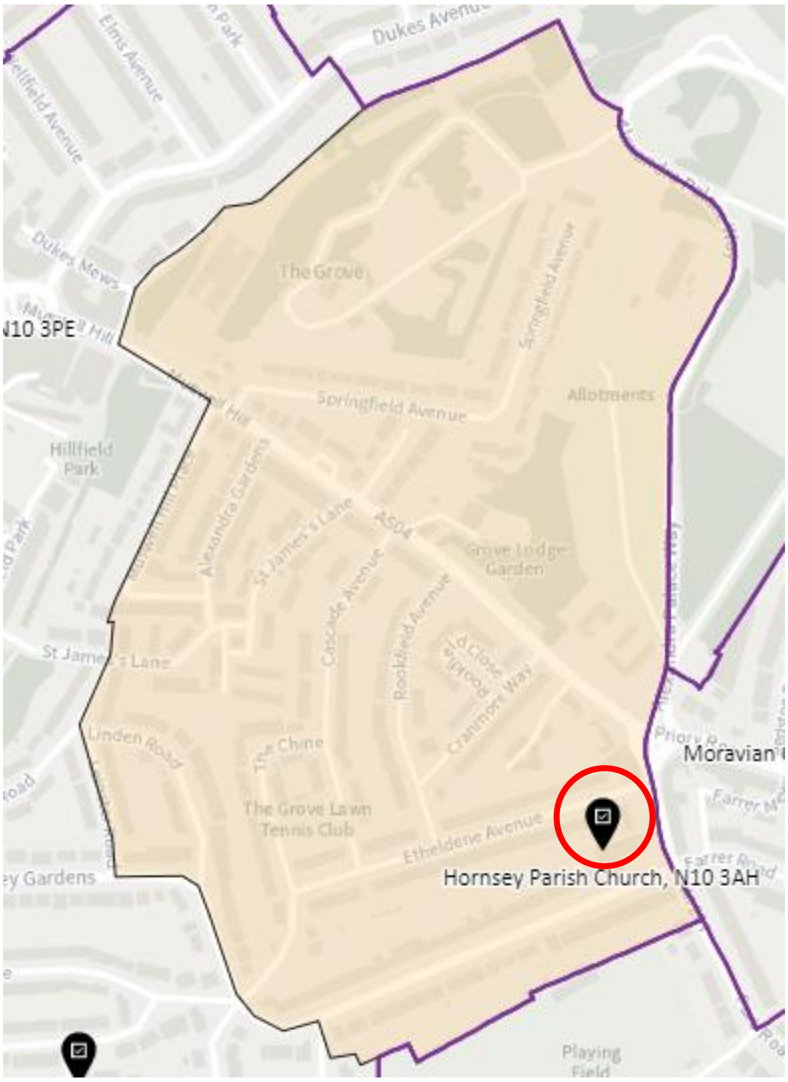


10. Ward: Muswell Hill

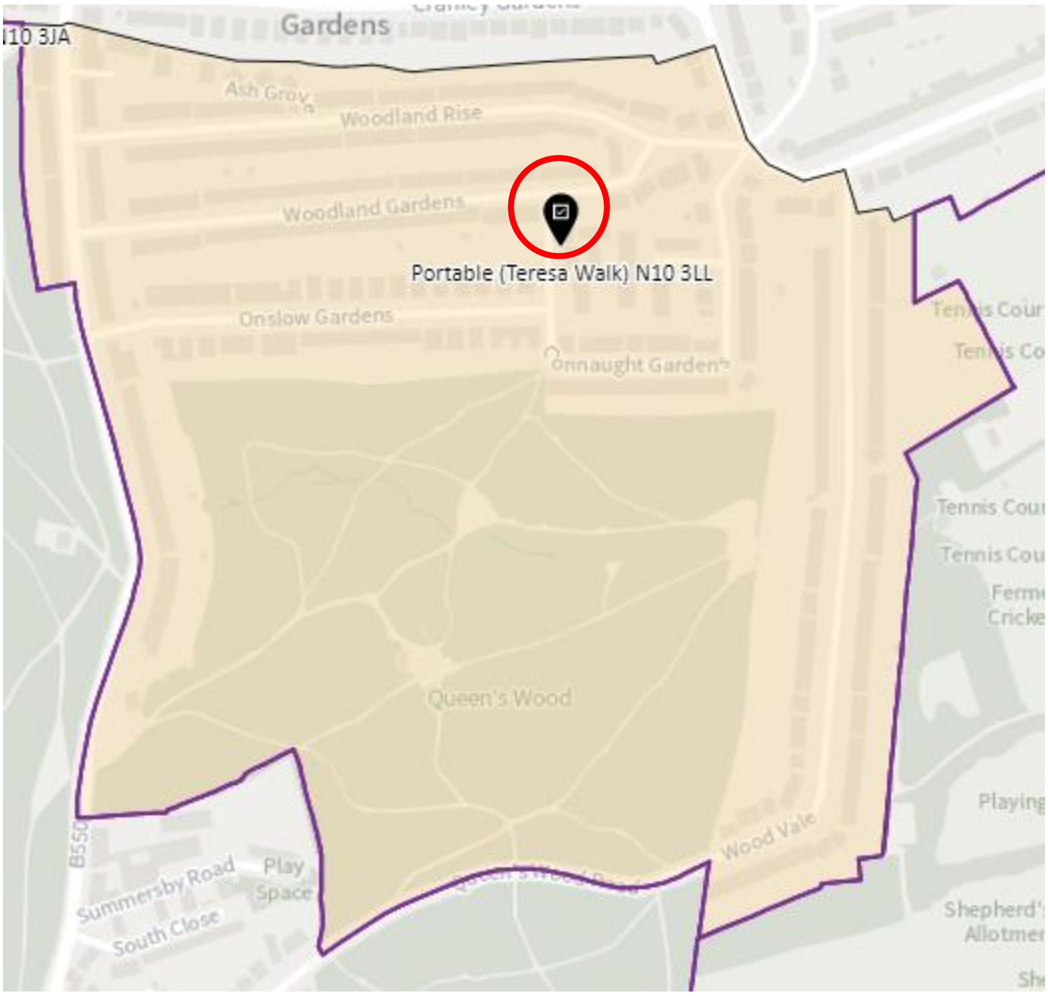
District: MUH-A



District: MUH-B

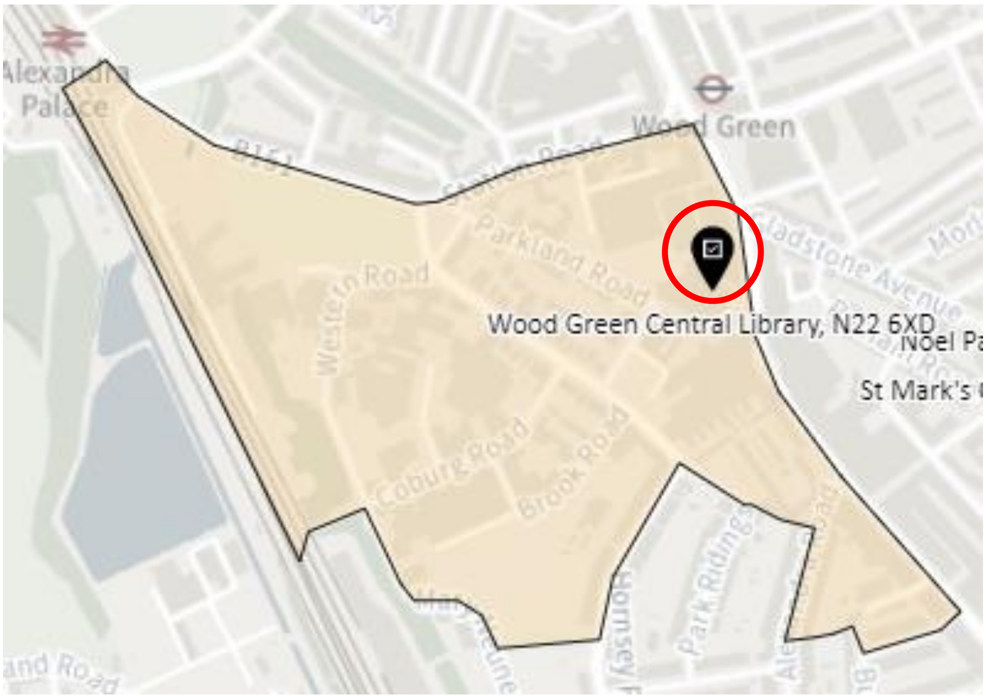


District: MUH-C

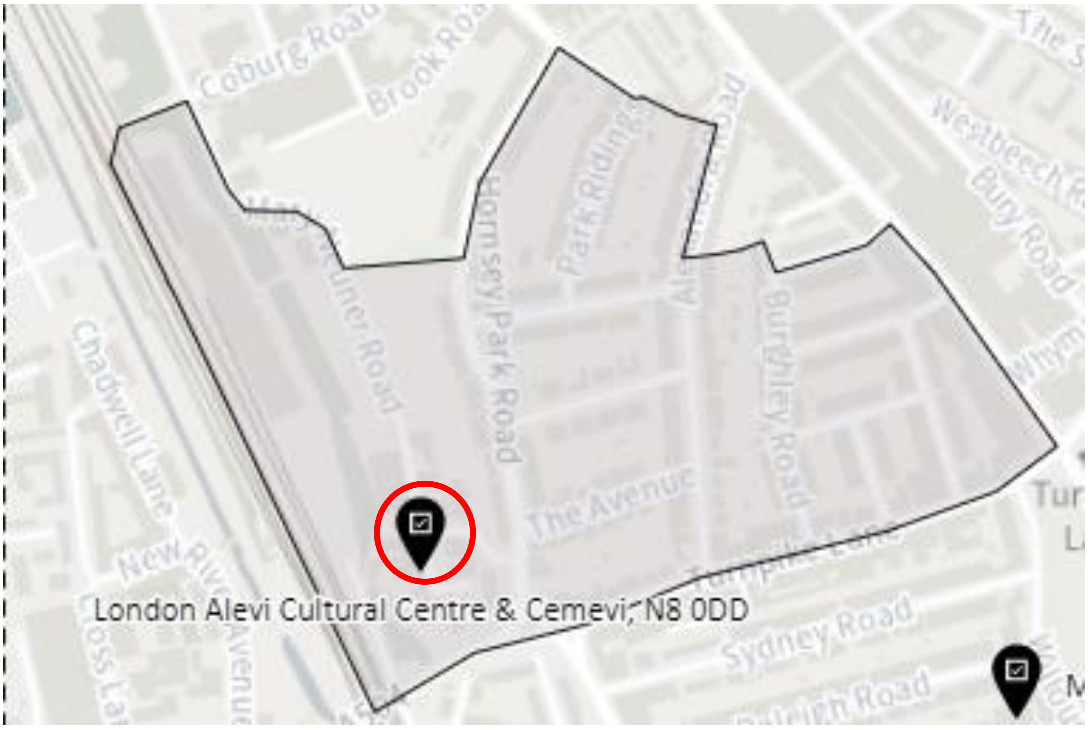


11. Ward: Noel Park

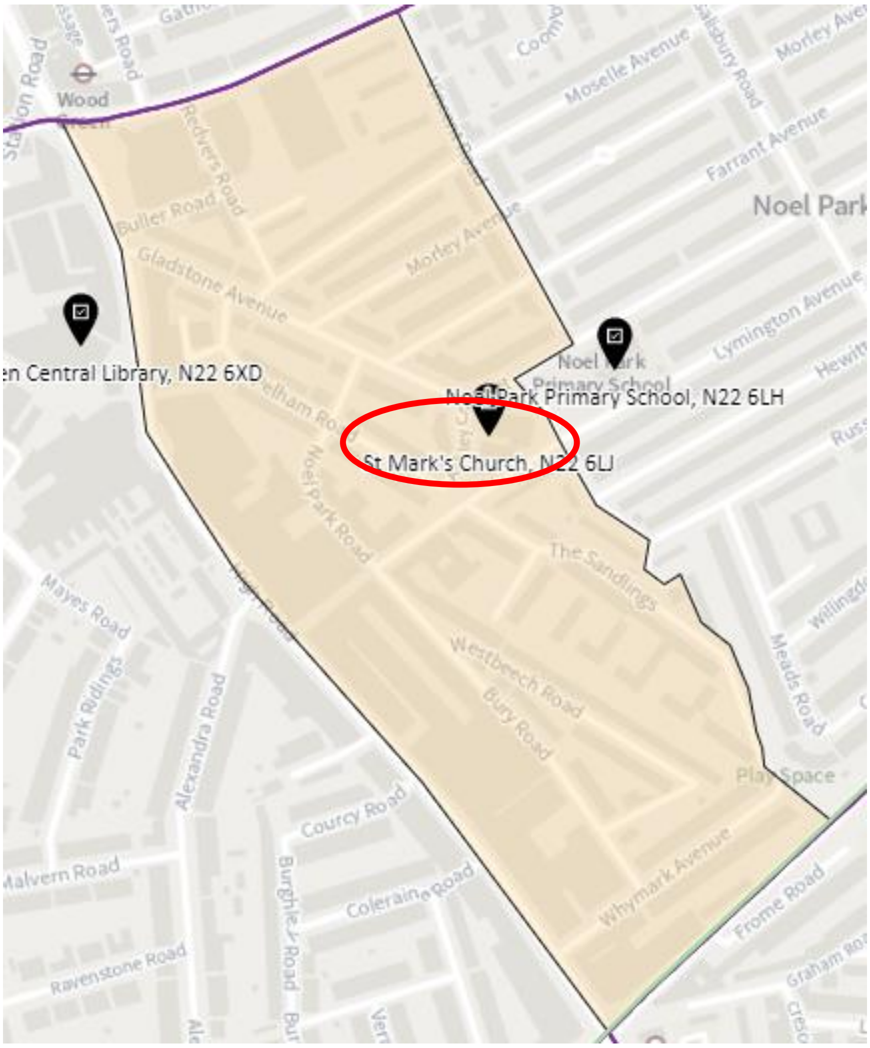
District: NOP-A



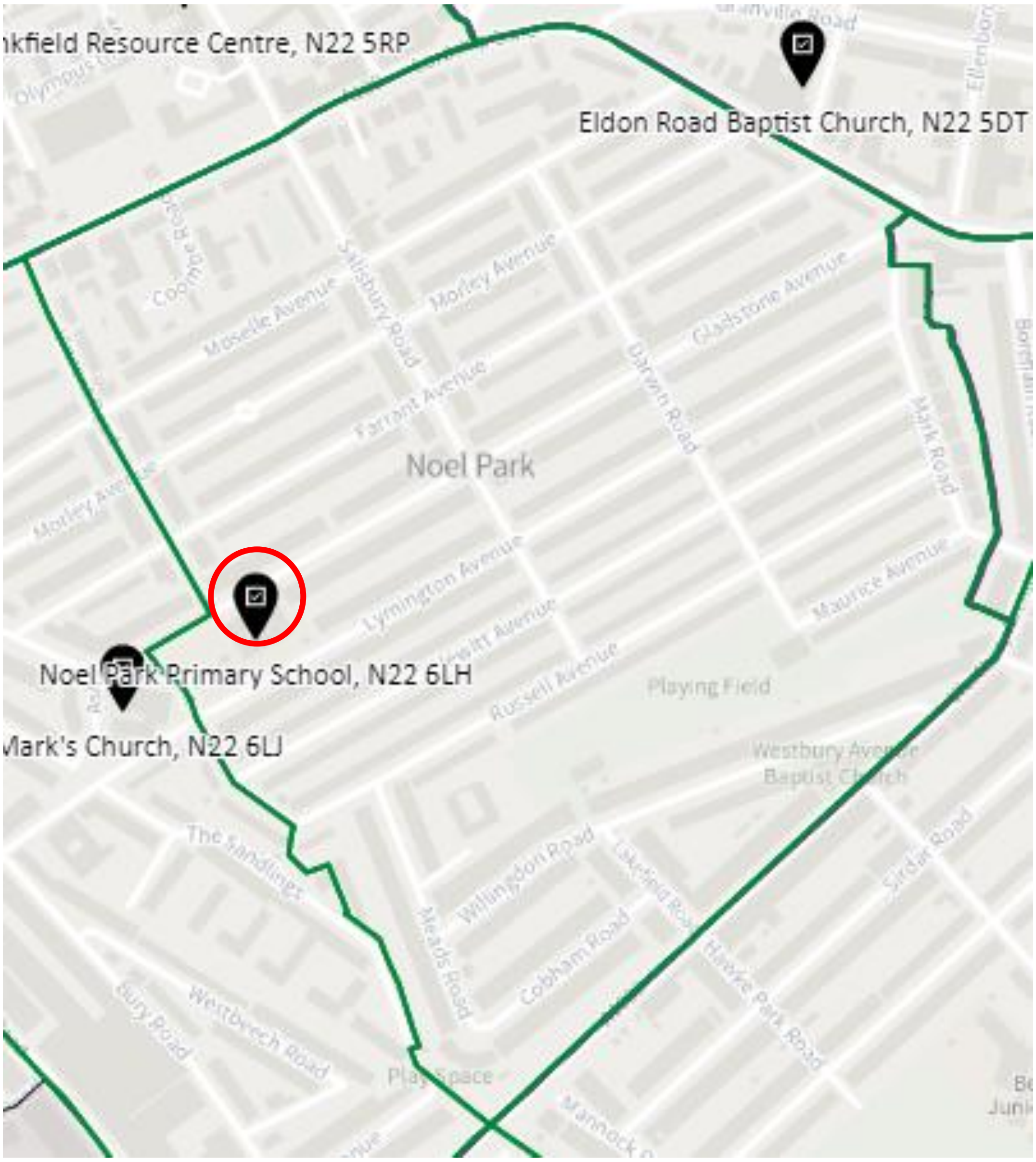
District: NOP-B



District: NOP-C

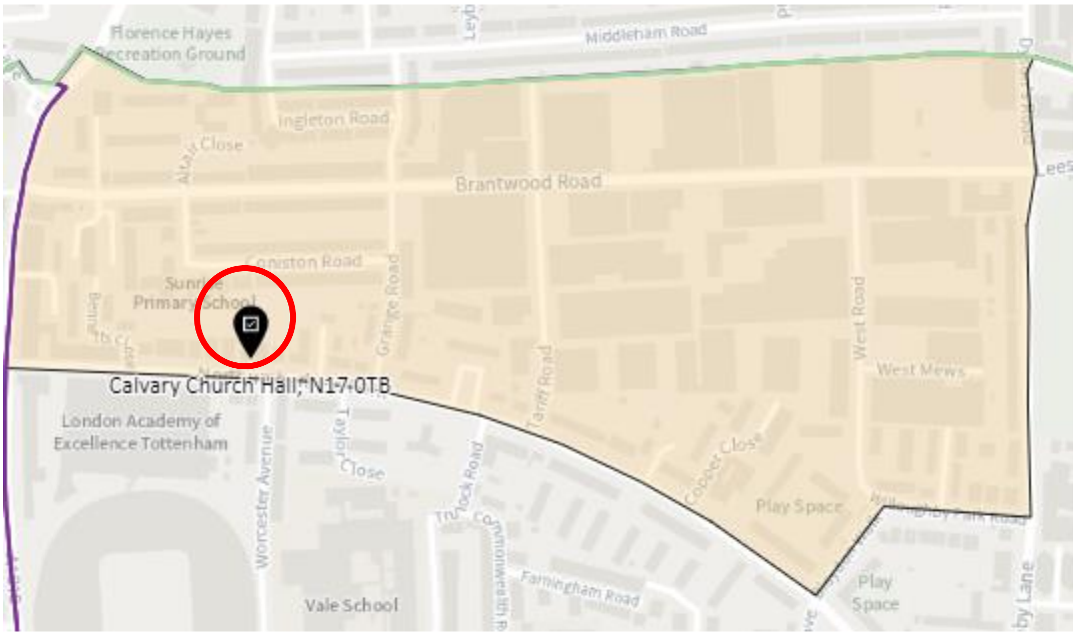


District: NOP-D

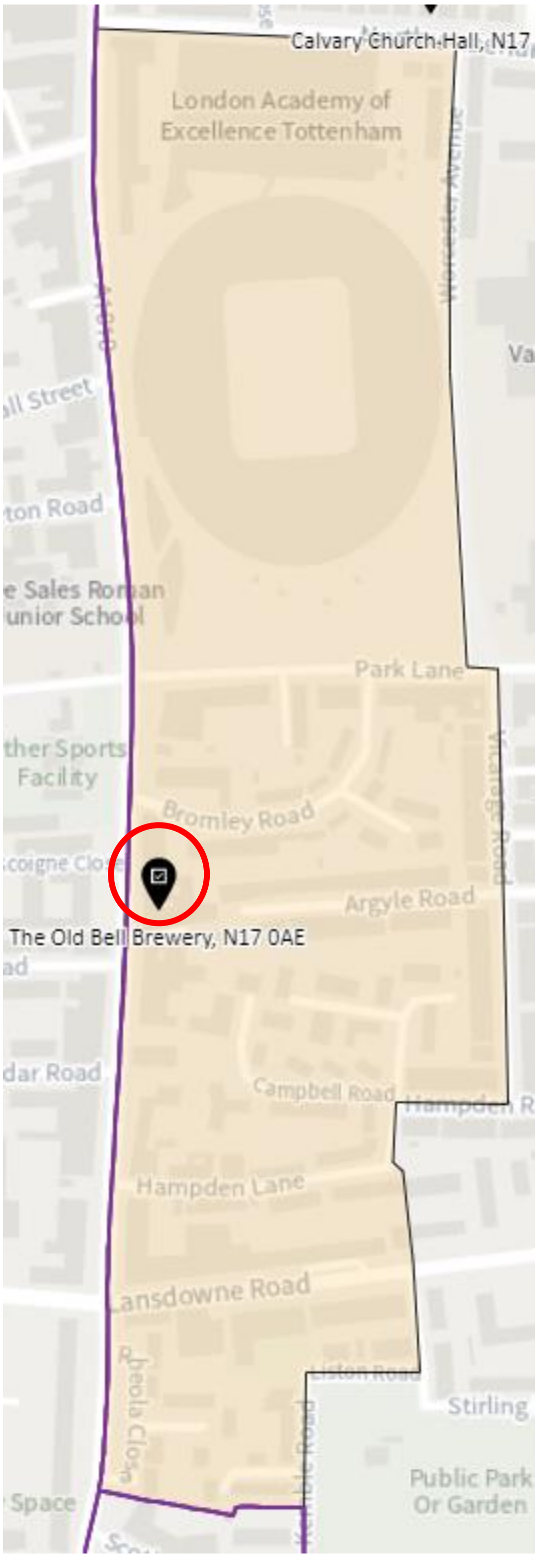


12. Ward: Northumberland Park

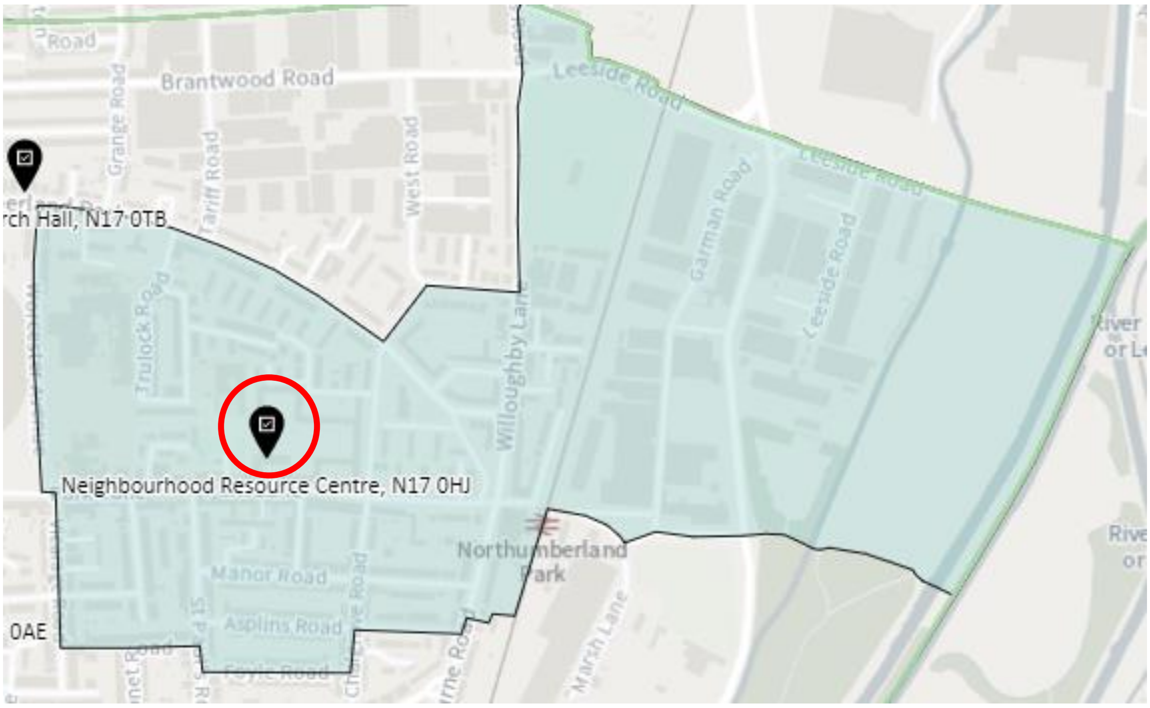
District: NUP-A



District: NUP-B



District: NUP-C



District: NUP-D

13. Ward: Seven Sisters

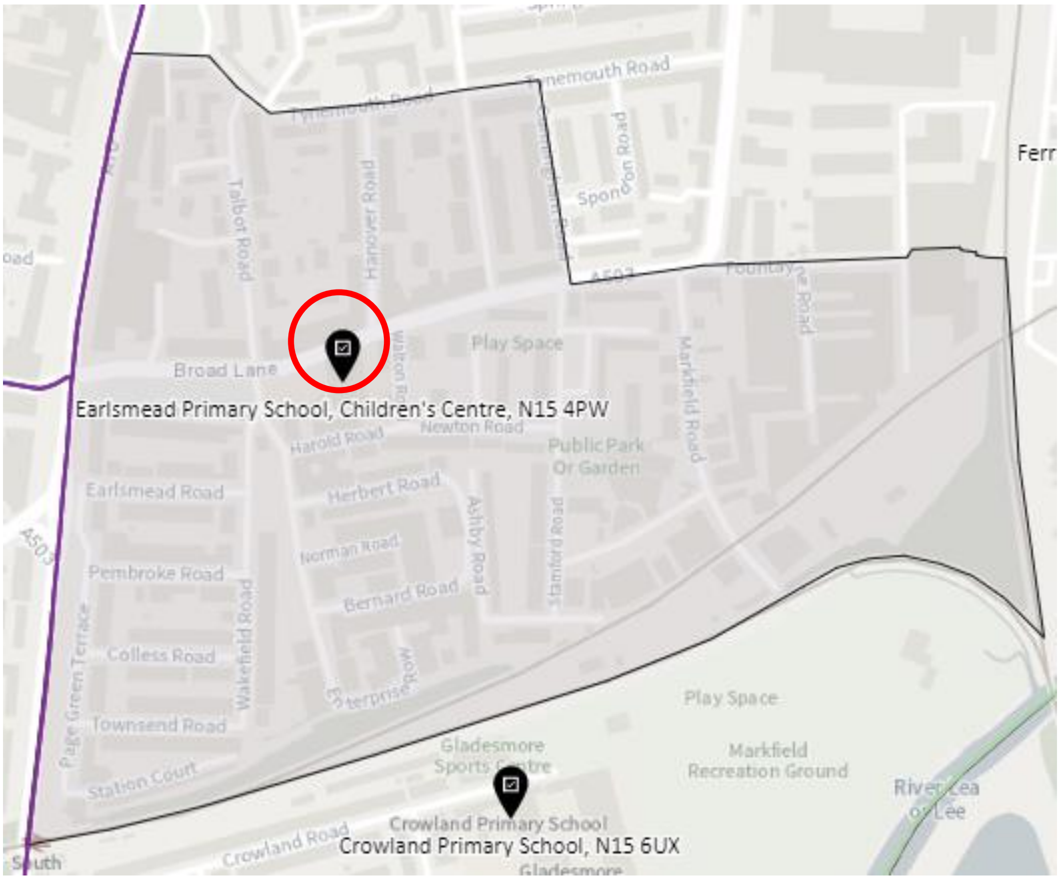
District: SES-A (location portable to be confirmed – the whole area is the Polling Place to allow the most suitable location to be identified at the time of use)

District: SES-B

14. Ward: South Tottenham

District: SOT-A

District: SOT-B

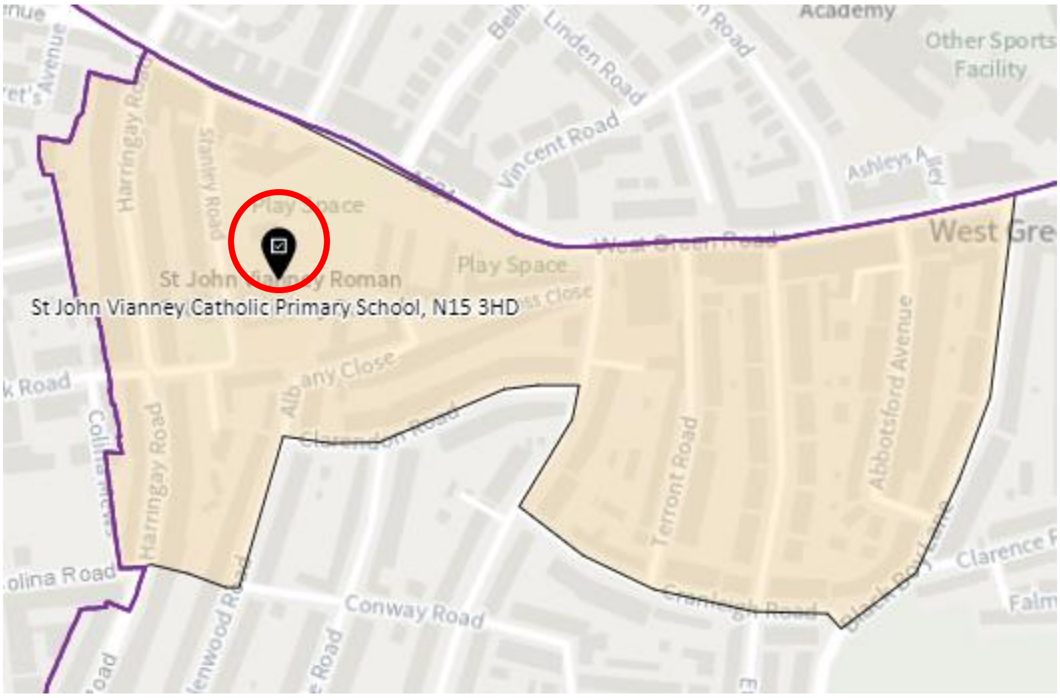


District: SOT-C

District: SOT-D

15. Ward: St Ann’s

District: STA-A

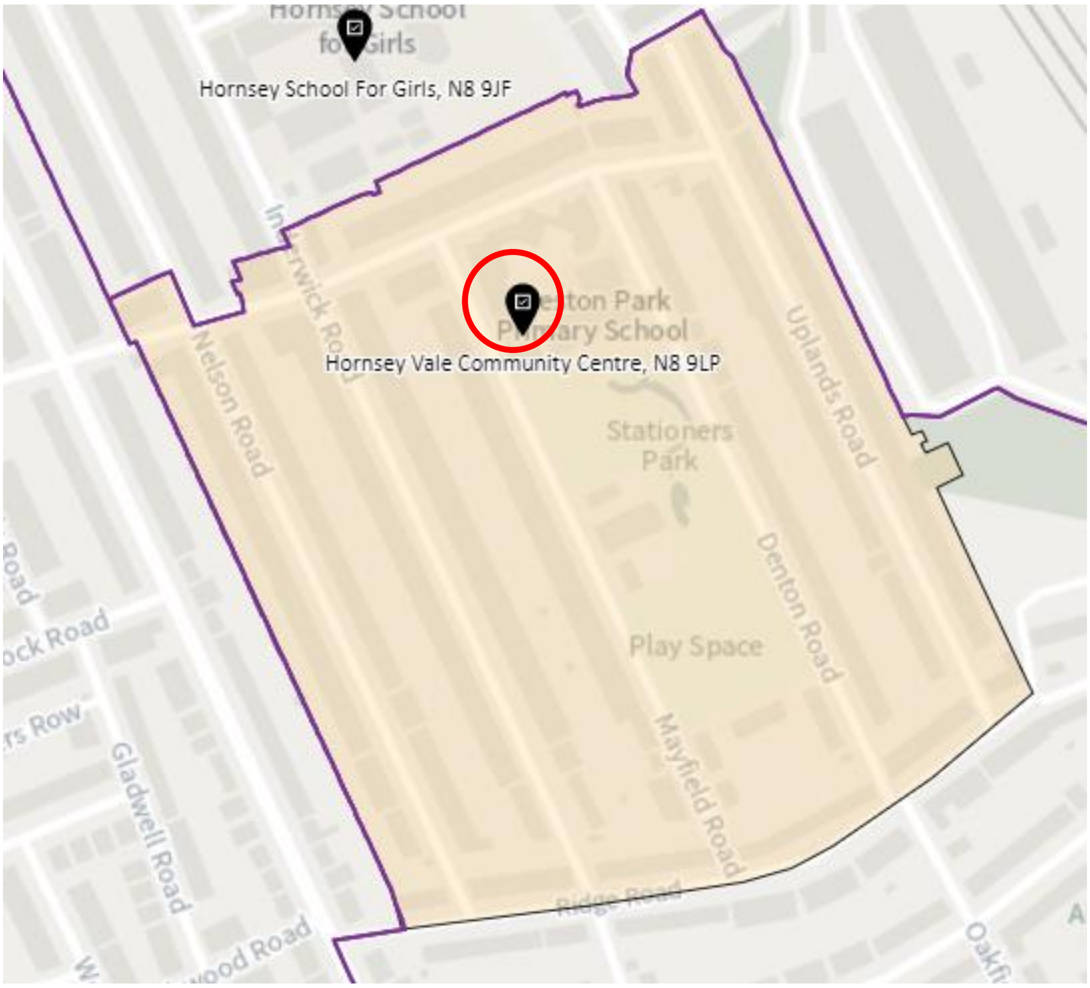


District: STA-B

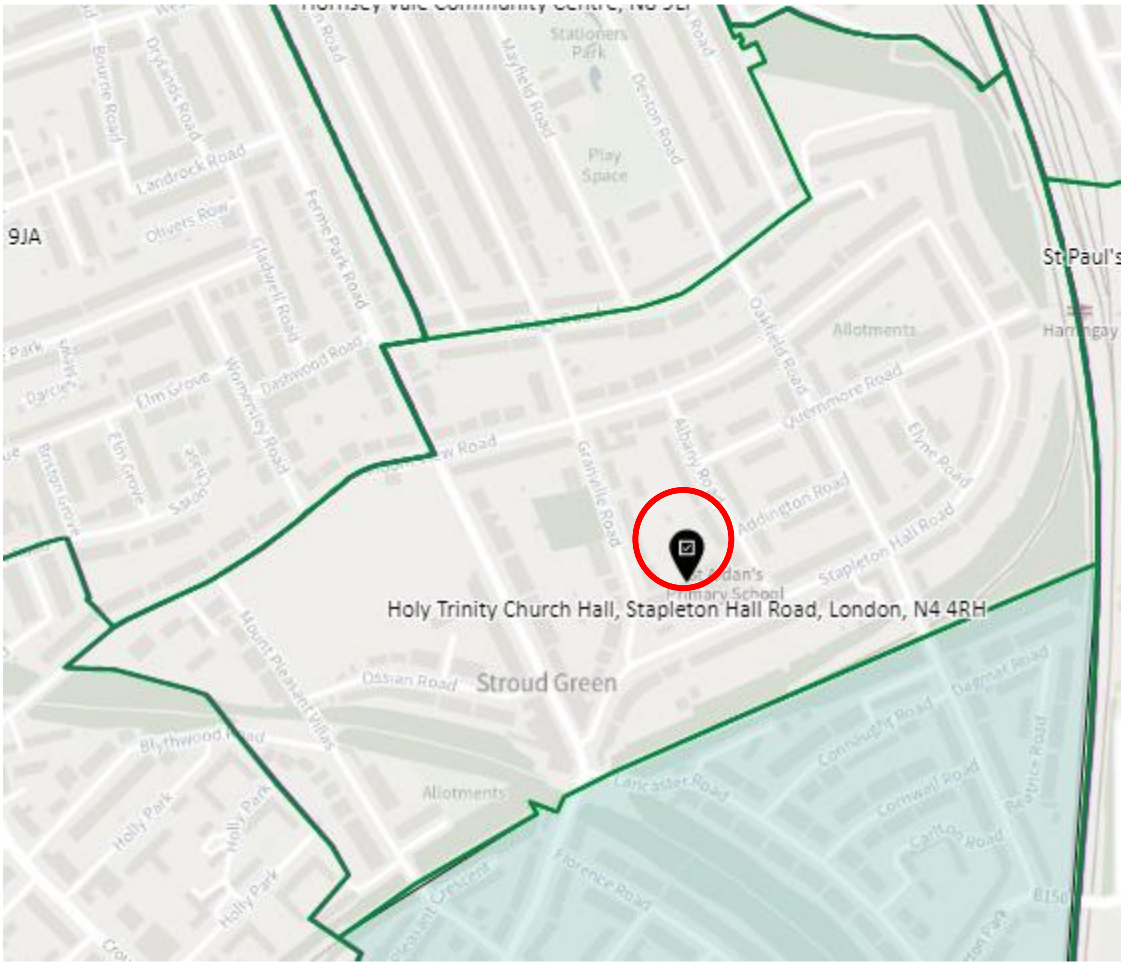
District: STA-C

16. Ward: Stroud Green

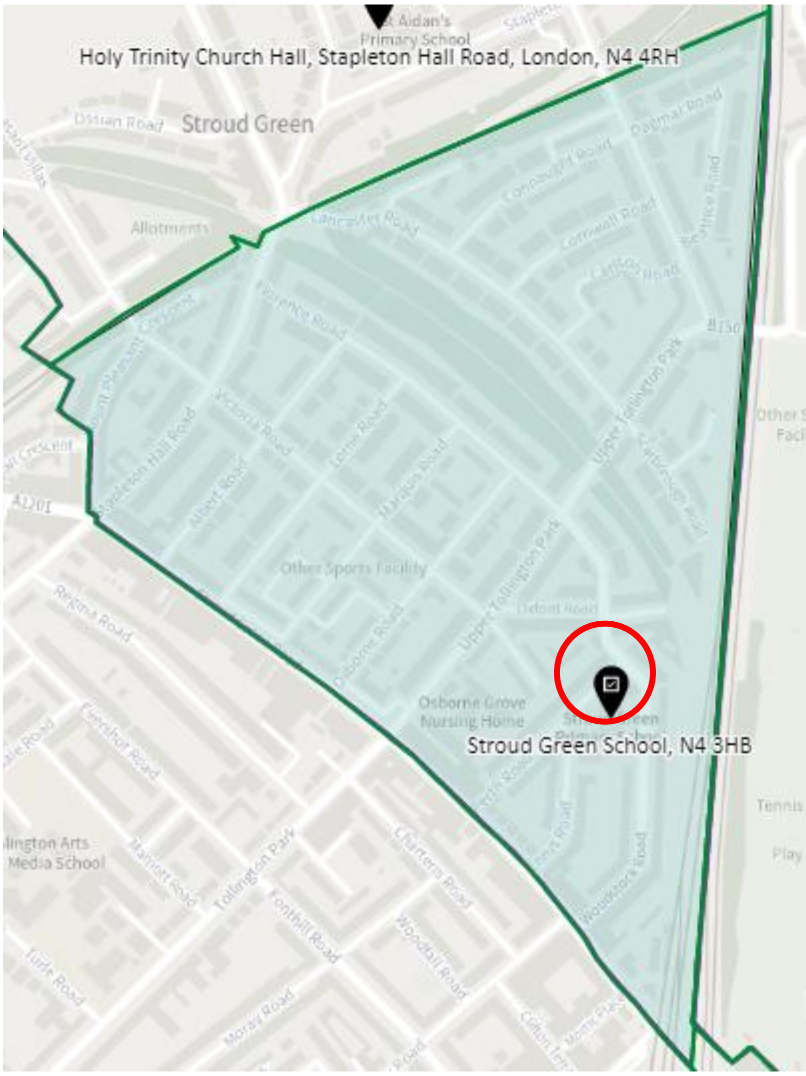
District: STG-A



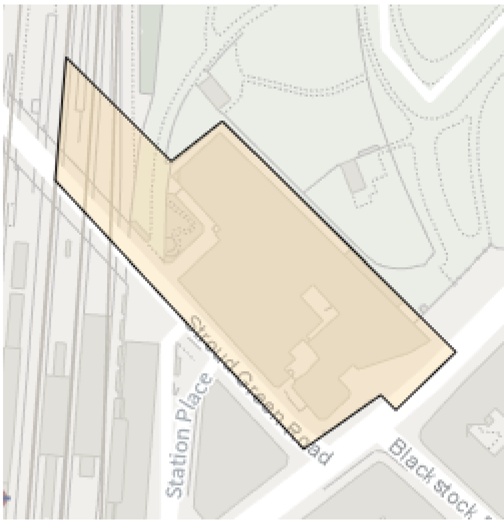
District: STG-B



District: STG-C

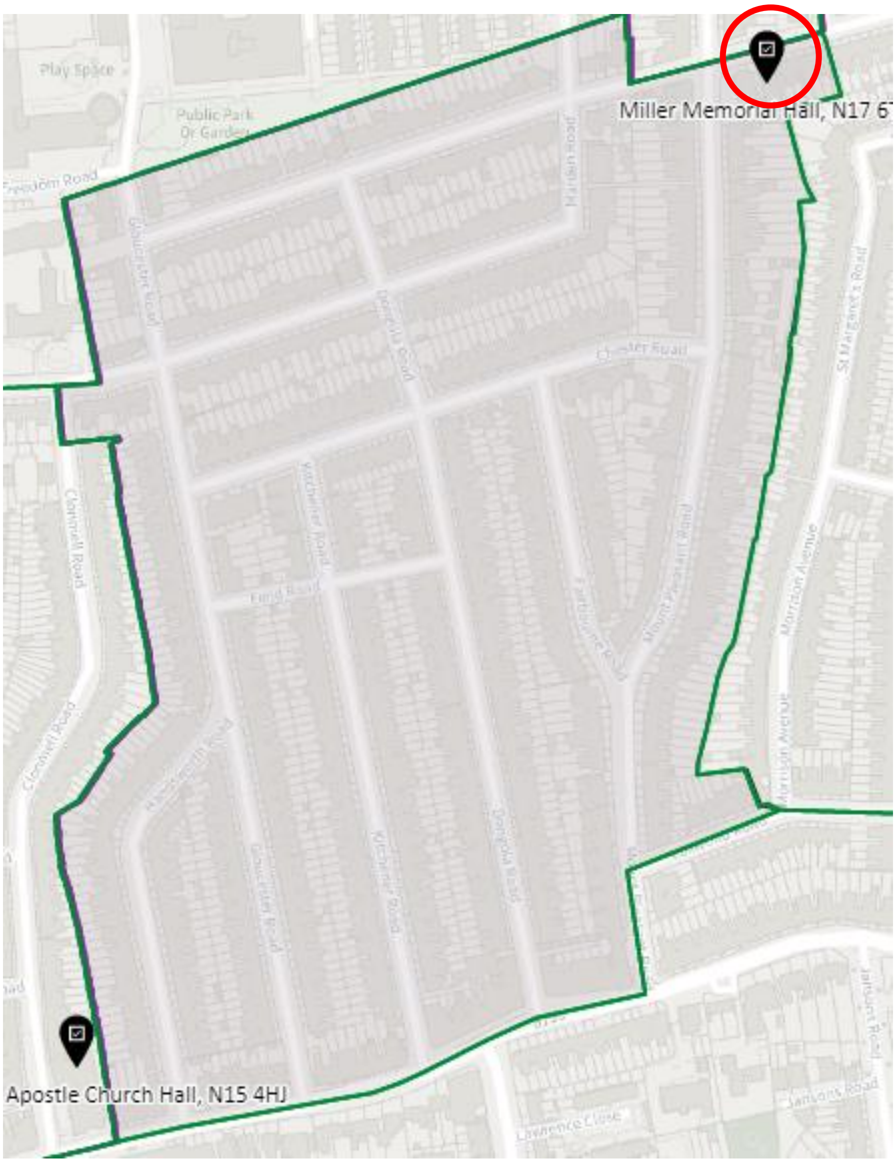


District: STG-CT

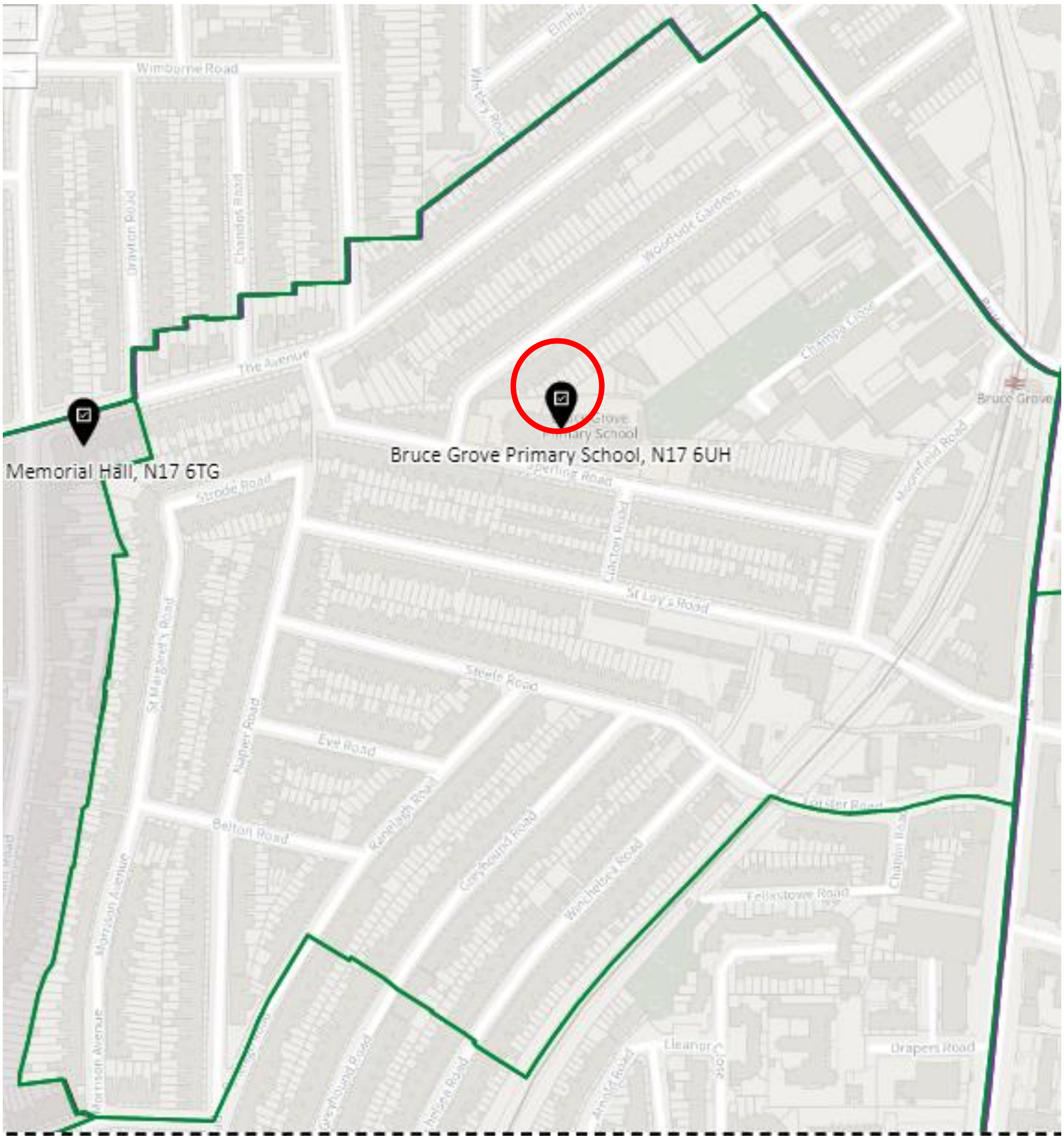


17. Ward: Tottenham Central

District: TCL-A

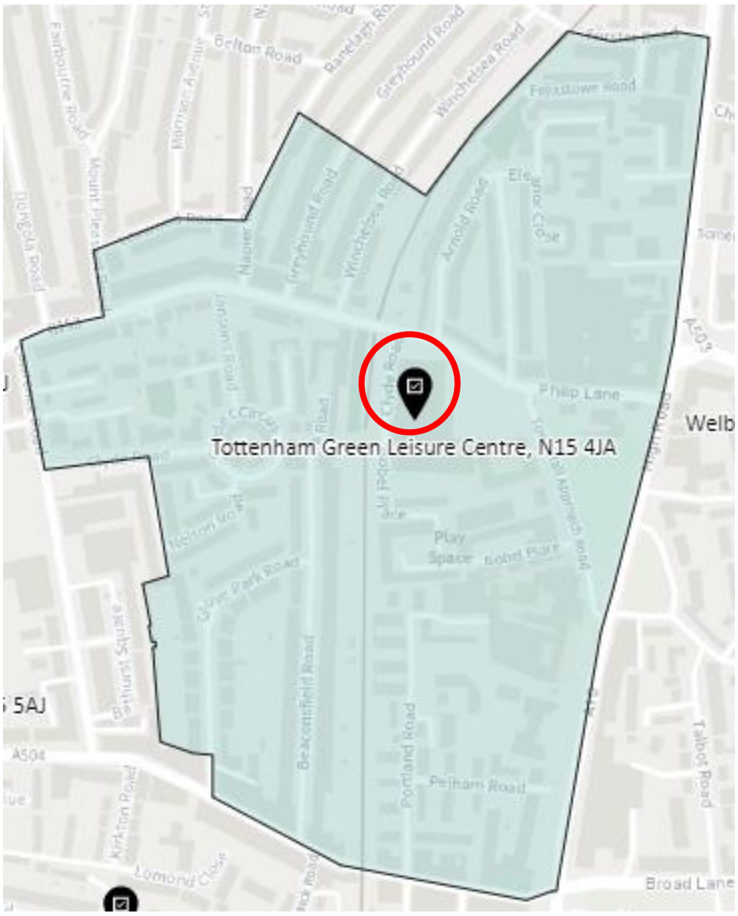


District: TCL-B



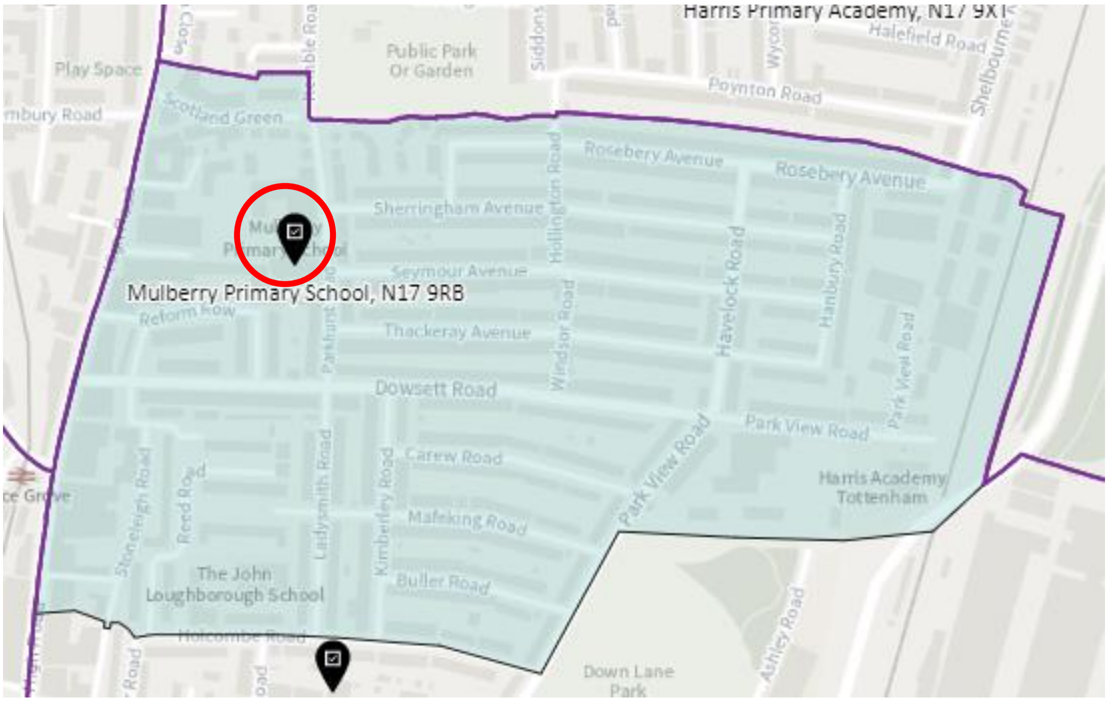
District: TCL-C

District: TCL-D



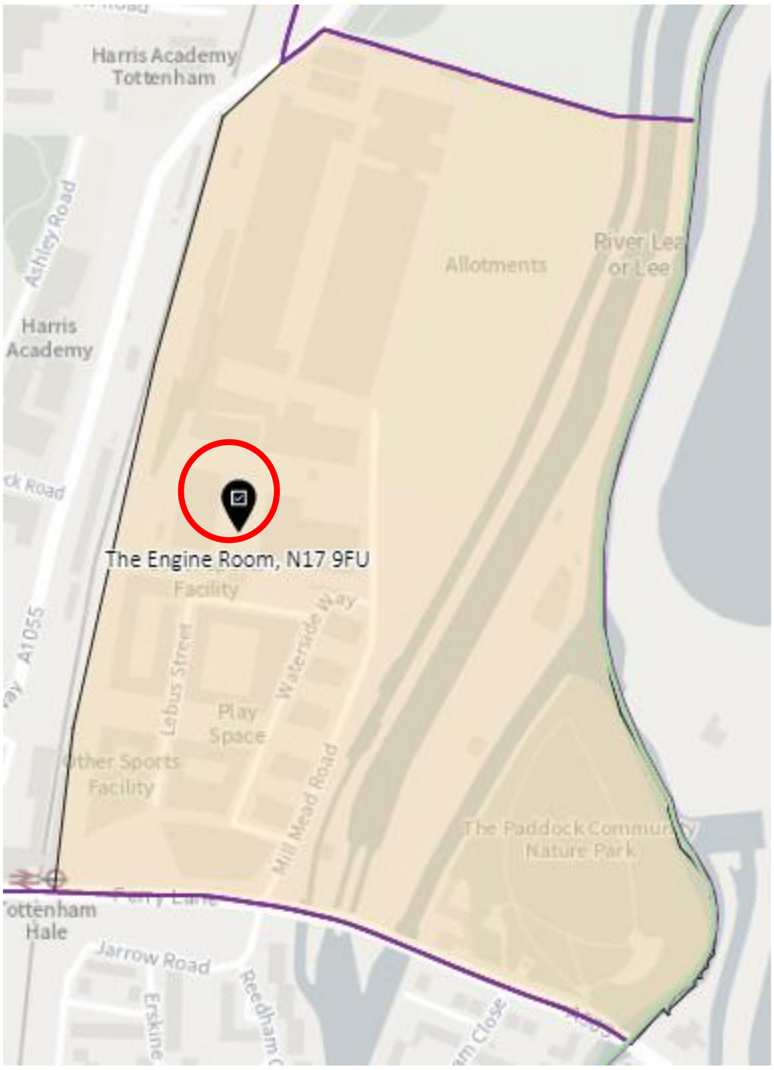
18. Ward Name: Tottenham Hale

District: THL-A



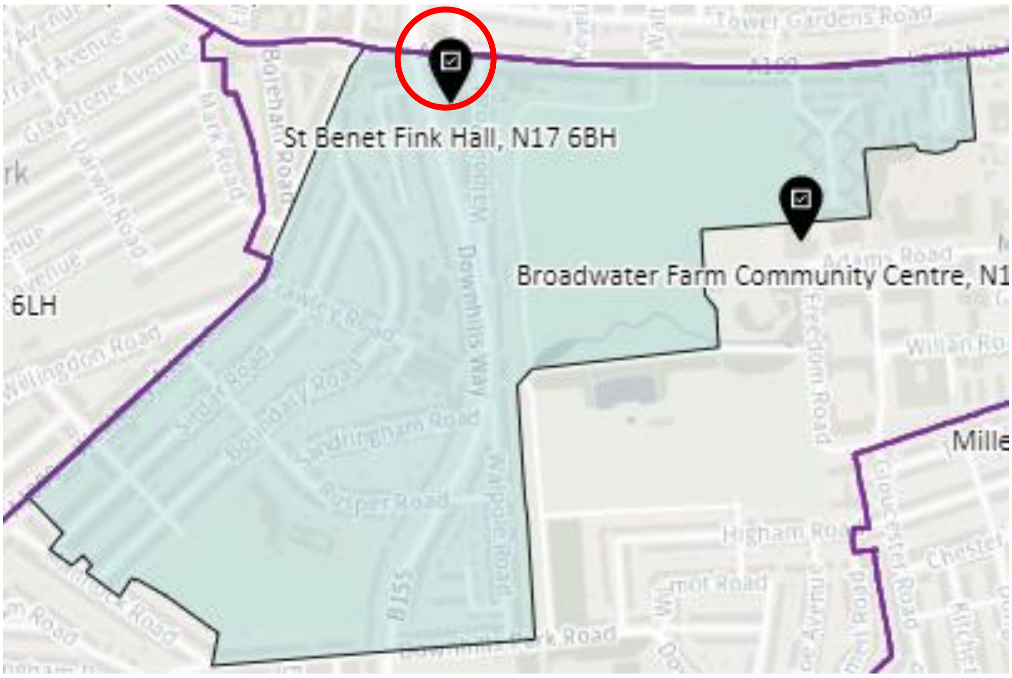
District: THL-B

District: THL-C

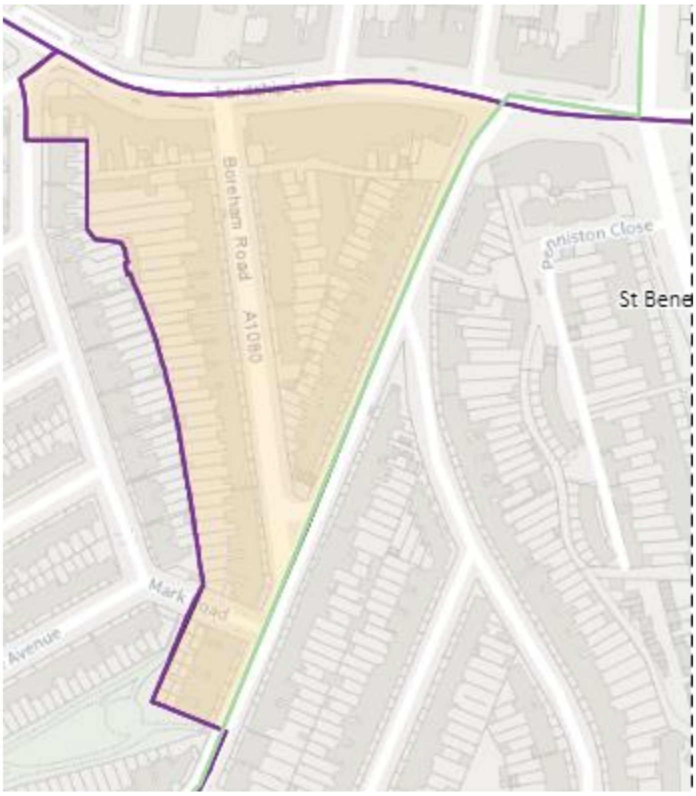


19. Ward: West Green

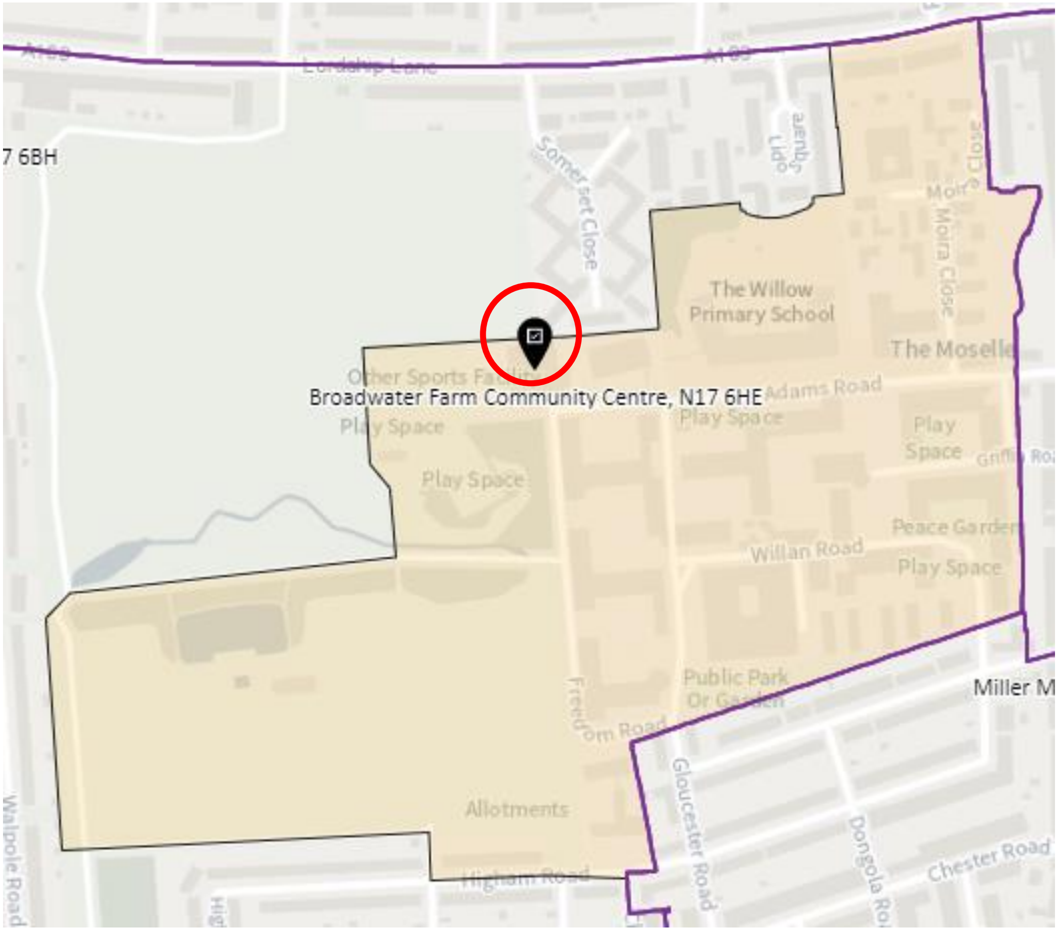
District: WEG- A



District: WEG-AH

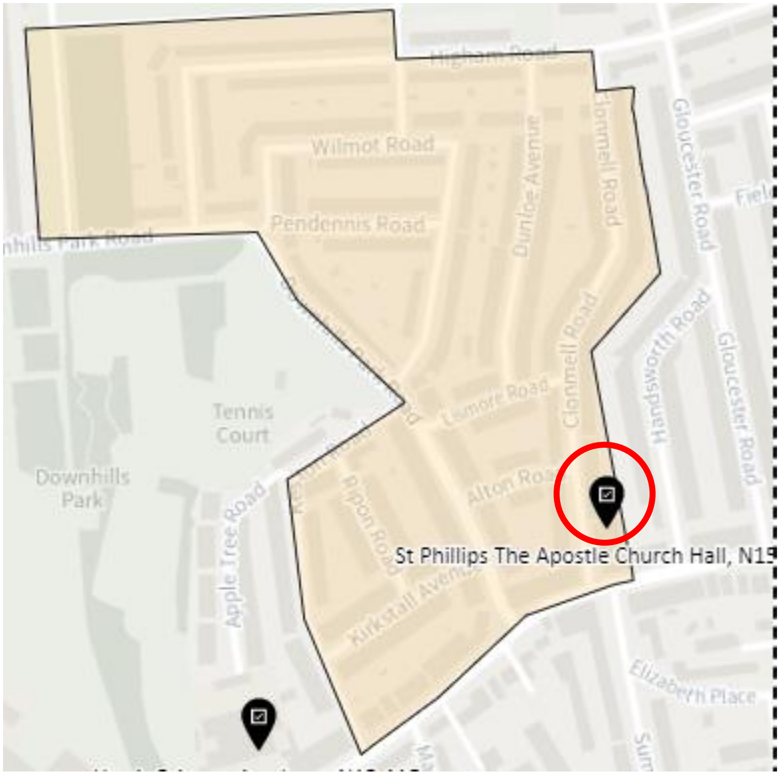


District: WEG-B

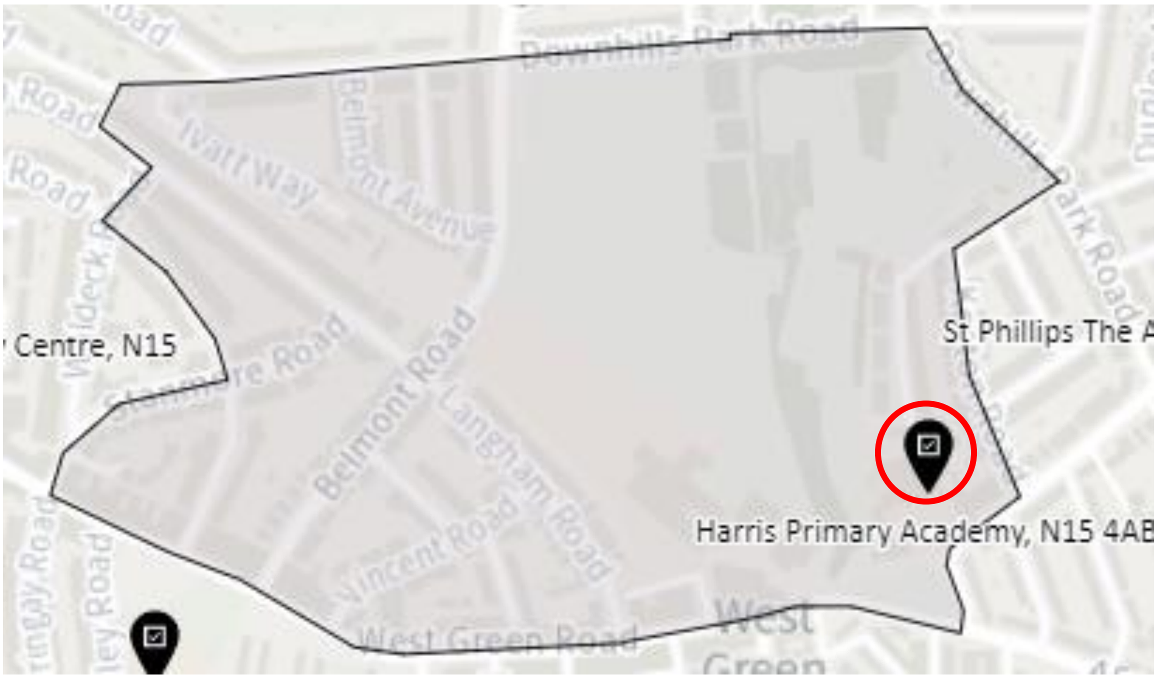


District: WEG-C

District: WEG-D

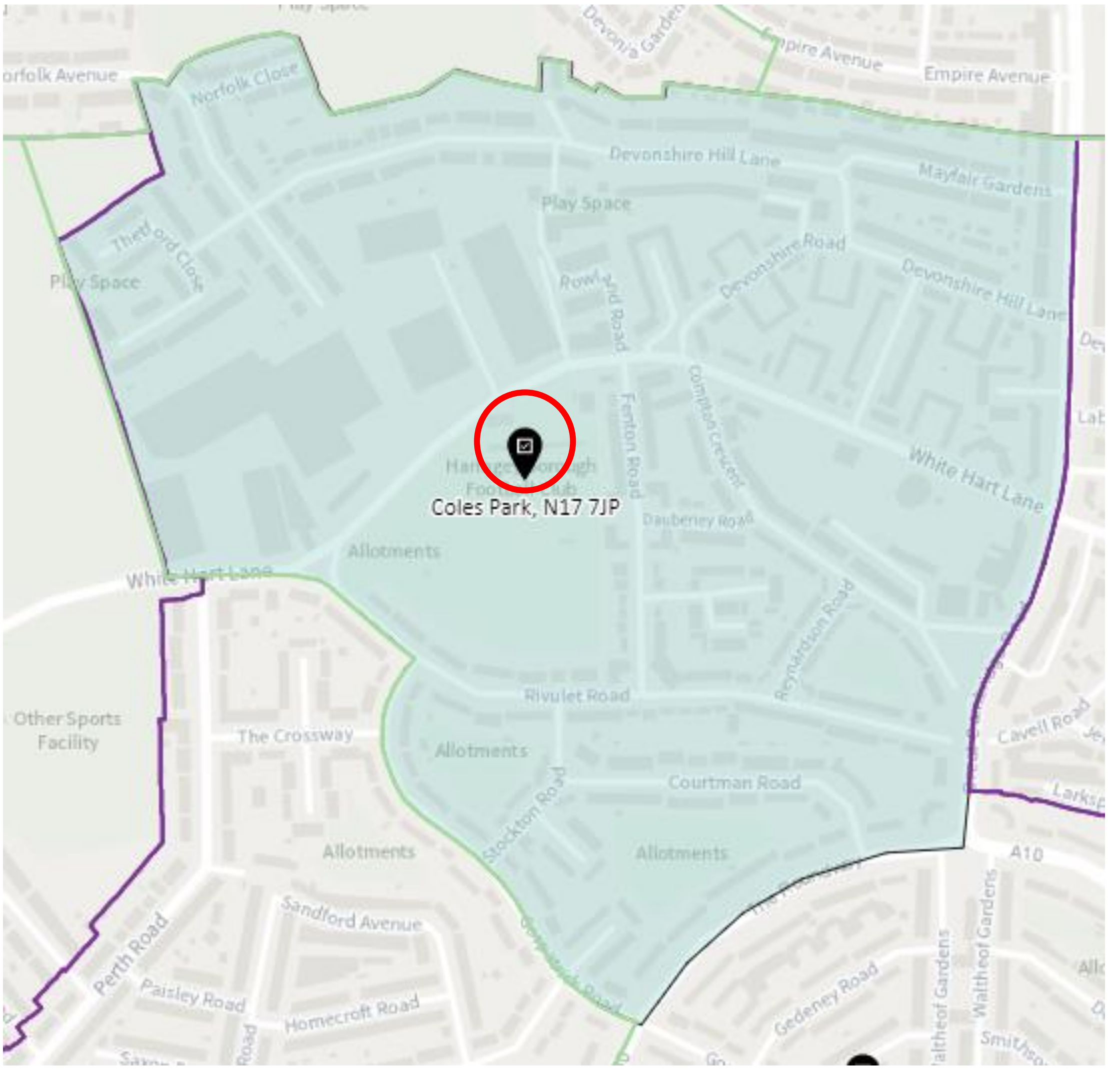


District: WEG-E

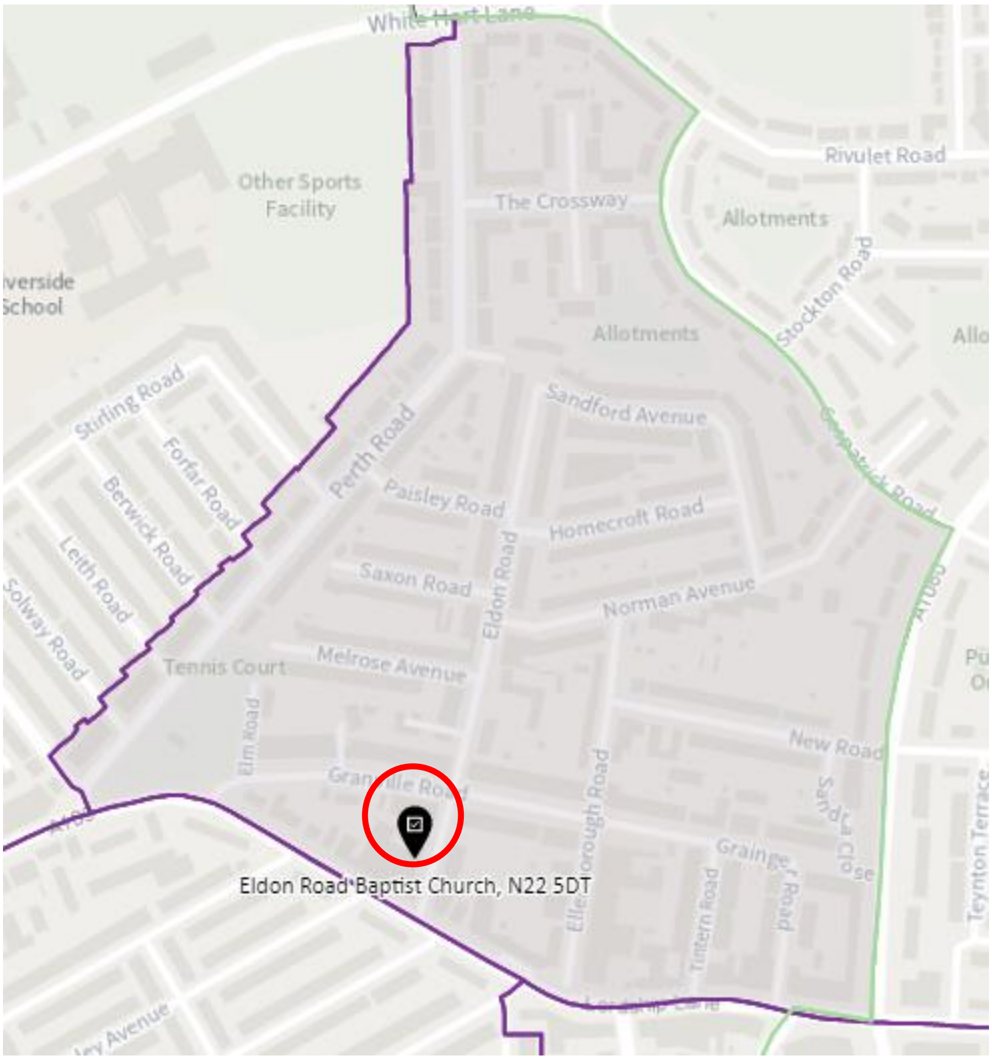


20. Ward: White Hart Lane

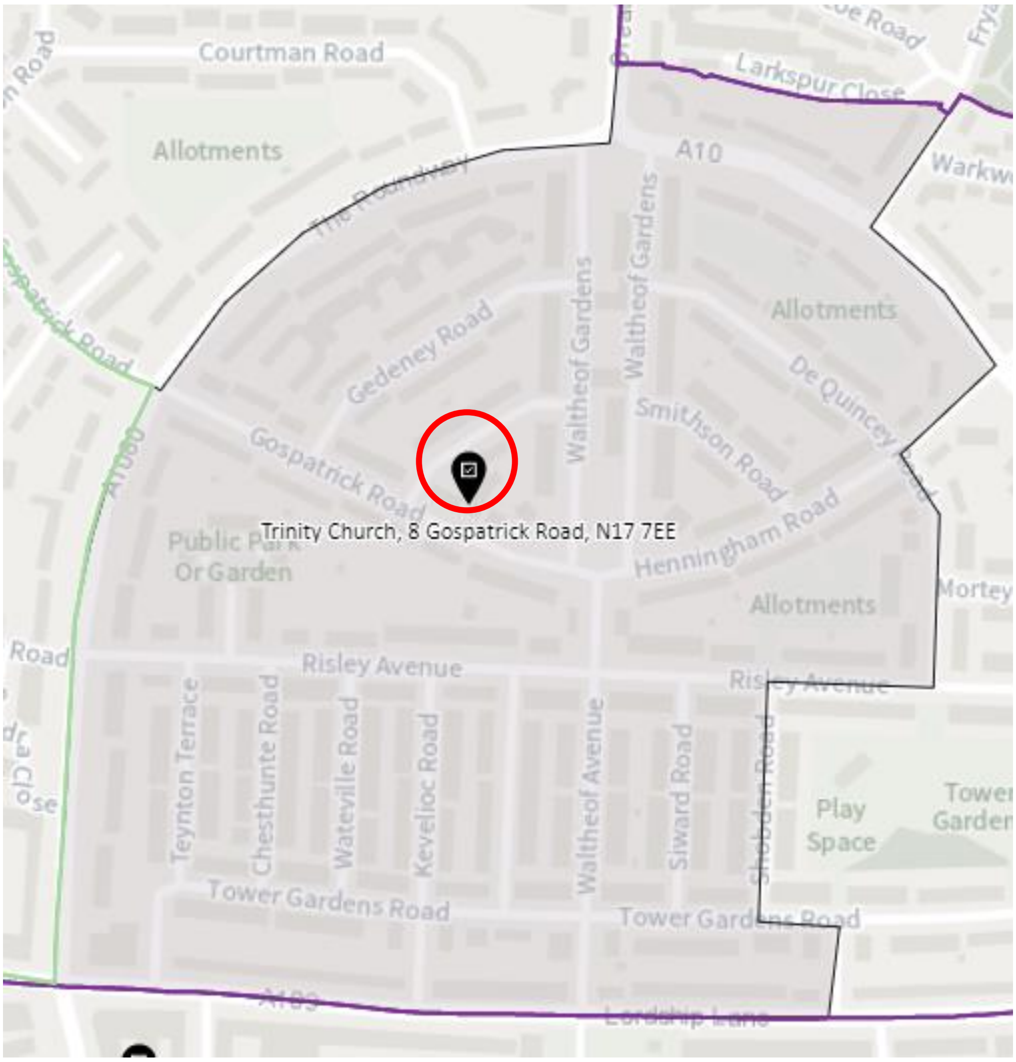
District: WHL-A



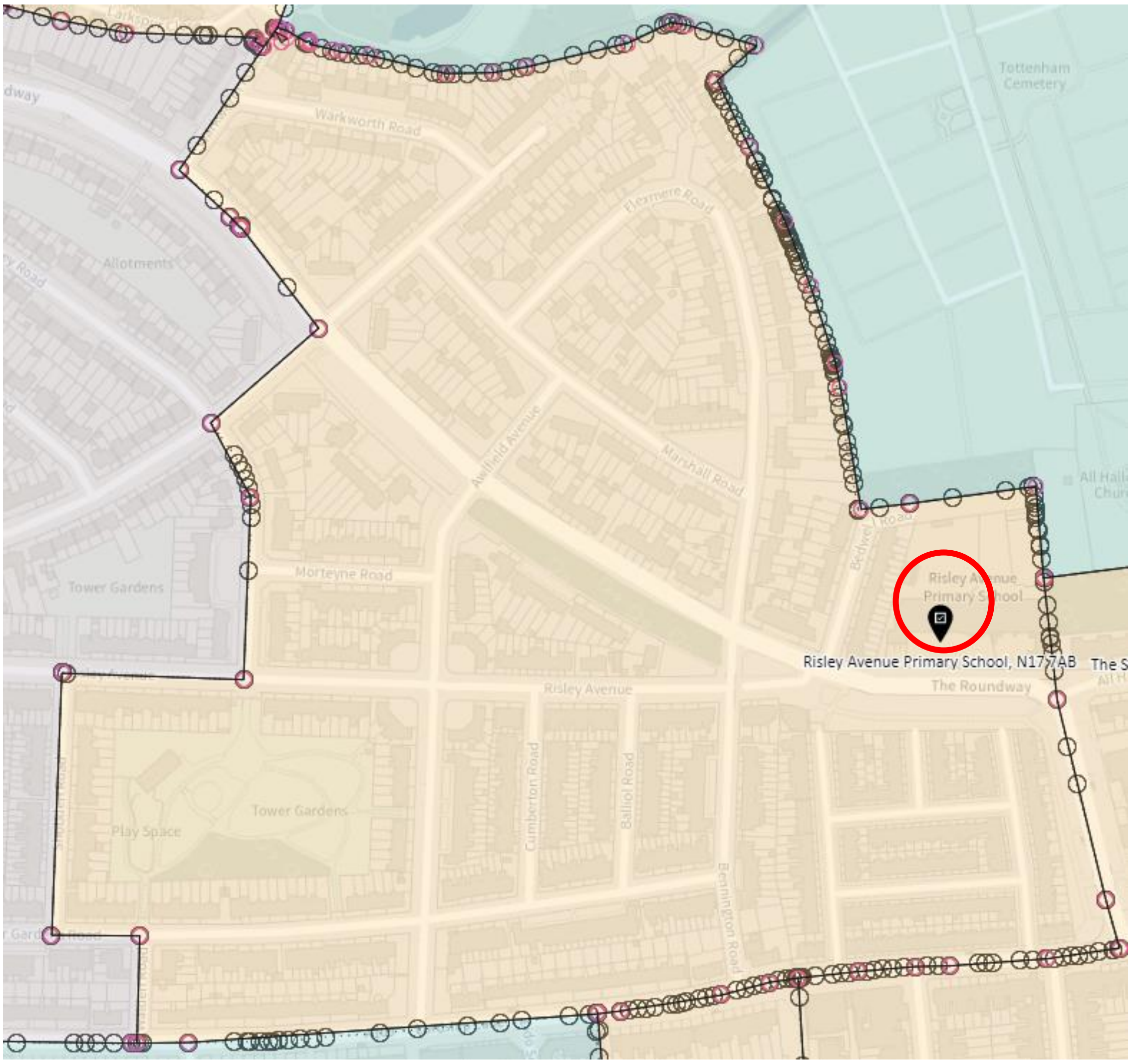
District: WHL-BH



District: WHL-C



District: WHL-D

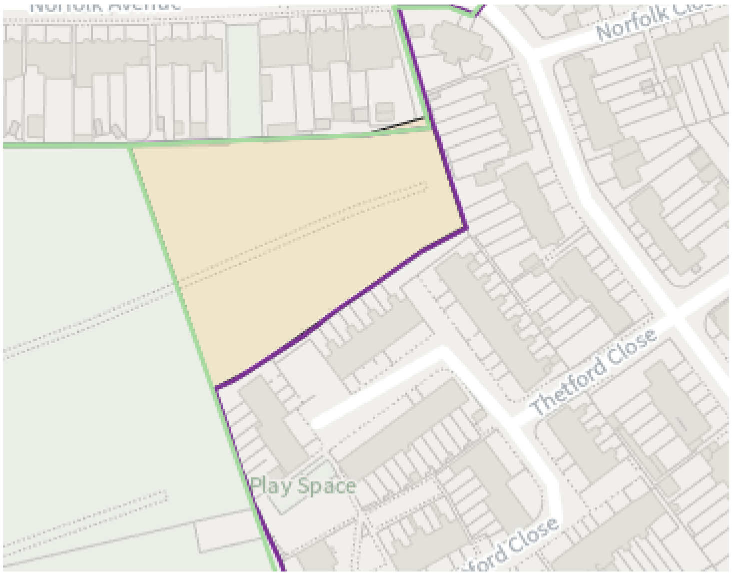


21. Ward: Woodside

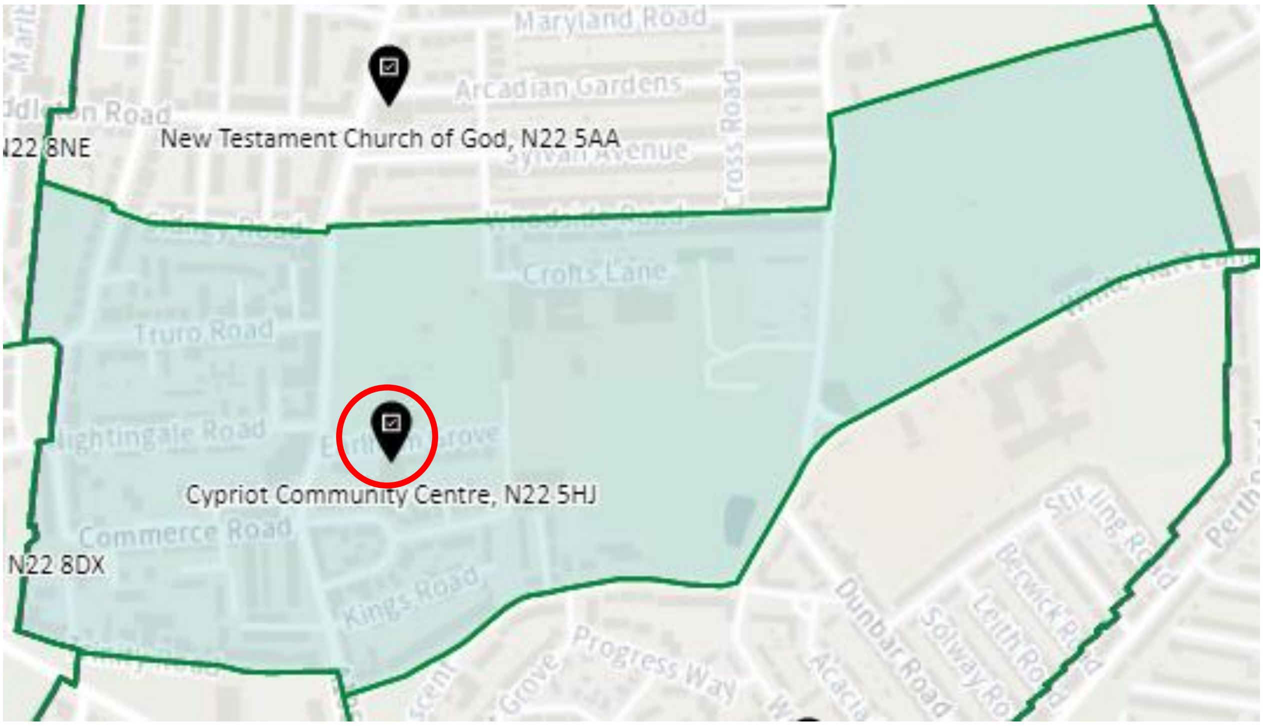
District: WOD-A

Note -Polling station name reads: New Testament Church of God, N22 5AA

District: WOD-AT

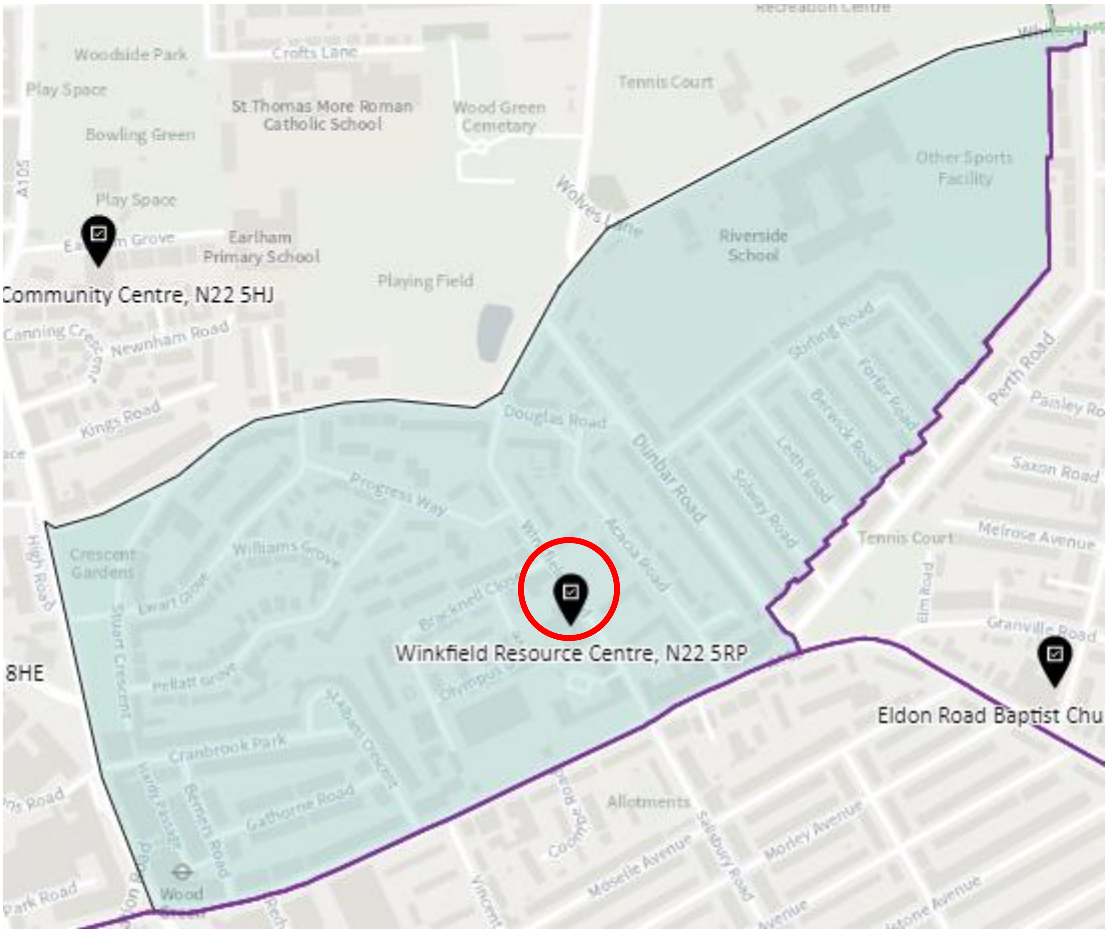


District: WOD-B



District: WOD-C

District: WOD-D



This page is intentionally left blank

Appendix 2 - Working assumptions for the Polling District and Polling Place Review 2021

- The aim was for 2000-3000 electors per polling station
  - This included postal voters, meaning around 1800-2500 in-person anticipated electors for each station
  - some districts will have multiple polling stations in the polling place
- Reasonable walking distance was assumed as 10-15 minutes, and distances aimed to account for topography
- A further aim was to minimise the use of schools:
  - Some schools are happy to be used and can either plan an inset day or have a separate space that can be used with minimal disruption
  - Where a school has to close, nearby alternatives were looked at
  - Finding an alternative space wasn't always possible so there were some schools that still needed to be used
- Generally, polling district boundaries were drawn along the centre of the road
- Where a venue was used, reasonable adjustments were applied to make it accessible where this was needed
- It was recognised that some of these districts might need to be revisited as a result of the outcome of the parliamentary ward Boundary Review which is due to report in July 2023

Summary of Consultation Responses – September – November 2022

Received from	Summary of feedback	Summary of response to feedback	Changes made to the proposals	Comments
Cllr Jogee	requested that the boundaries between HRN-A and HRN-D be adjusted to make the park the natural boundary and to include Ashford Ave and Oak Ave in HRN-D	This proposal was accepted	Yes	This makes district HRN-D larger than the 2300 guideline that we have been using but the polling place in that district is large enough to manage the extra electors comfortably
Cllr Ibrahim	Commented that there was an issue with the Scout Hut (White Hart Lane) as a venue – residents couldn't find it and there was a problem with overhanging trees and lighting	We have previously had positive feedback on the use of the Scout Hut. Residents were provided with information on the changes to their polling station in a number of letters as well as their poll card. Each polling place will be visited in advance of an election to ensure that there is sufficient lighting and issues such as over having trees will be dealt with. Additional signage will also be provided.	No	
Cllr Peacock	expressed disappointment that the use of Crowland Road (South Tottenham) was not being reviewed	A different gate will be used to access the polling place and more signage will be provided to the polling station staff – this will be managed as part of the elections preparations and does not require changes to the polling scheme	No	

Received from	Summary of feedback	Summary of response to feedback	Changes made to the proposals	Comments
Catherine West MP	Hornsey – It would be preferable for voters not to cross the road, (Priory Road) which will be a barrier, particularly as they are used to voting at the Kurdish Advice Centre. Options to find somewhere else on the Alexandra Palace side should be looked at or expanding capacity at the Kurdish Advice Centre, maybe with a booth outside.	The Kurdish Advice Centre does not have the capacity as a double polling station under the new Elections Act requirements. We try and account for natural boundaries such as roads wherever we can, but it is not always possible to avoid. Polling booths cannot be outside, and we aim to minimise the use of portable buildings, especially where fixed buildings are available	No	
	Noel Park – The Alevi Cultural Centre and Cemevi are preferable. Please can the Council look to restore the polling station outside Shropshire Hall, so residents don't have to cross the busy High Road. A polling station outside the Sandlings would also be helpful for residents.	The preference for the Alevi Cultural Centre and Cemevi is noted The residents in the area around Shropshire Hall are allocated to Noel Park Primary School which is not across the main road. This used to have a portable, but we aim to minimise the use of portable buildings, especially where fixed buildings are available The polling place for Sandlings is within the 10 minute walk limit that has been set for the review	No- confirms the Alevi Cultural Centre and Cemevi as the preferred option	

Received from	Summary of feedback	Summary of response to feedback	Changes made to the proposals	Comments
	Stroud Green- A polling station outside of Chettle Court would be helpful as it is a long way for residents to walk up and down the hill to vote.	The polling place for Chettle Court is within the 10-minute walk limit that has been set for the review	No	
Resident response	Proposed all the polling in the borough should be done at Alexandra Palace	The Council is required to set up polling districts and polling places in each ward and we cannot have just one polling place for the borough	No	
Cllr Emery	Queried the reference in the consultation paper that quoted local councillors as having expressed support for the use of Jackson's Lane as a polling place	A revision was made to the consultation paper to clarify that this was the councillors in place at the time of the 2021 review, not the Highgate councillors who were elected in May 2022	No	

This page is intentionally left blank

 Agenda Item 8

Report for: Corporate Committee – 2 February 2023

Item number: 8

Title: Treasury Management Strategy Statement 2023/24

Report authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy S151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions & Treasury
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/ Non Key Decision: Non Key decision

1. Describe the issue under consideration

1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires the Council to agree a Treasury Management Strategy Statement, including an Investment Strategy annually in advance of the new financial year.

1.2. This report presents this Committee with the updated Treasury Management Strategy Statement for 2023/24 following its scrutiny at the Overview and Scrutiny Committee and in consultation with the Cabinet Member for Finance.

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

The Corporate Committee is requested:

3.1. To agree the proposed updated Treasury Management Strategy Statement for 2023/24 and recommend to the Full Council for approval.

3.2. To note that the Overview and Scrutiny Committee and the Cabinet Member for Finance have been consulted in the preparation of the Treasury Management Strategy Statement.

4. Reason for Decision

4.1. All local authorities that have adopted the CIPFA Treasury Management Code of Practice are required to agree a Treasury Management Strategy Statement, including an Investment Strategy annually in advance of the new financial year.

4.2. Under Haringey Council's constitution, the Corporate Committee has the responsibility to formulate the Treasury Management Strategy Statement and recommend it to Full Council for approval.

5. Other options considered

5.1. Not applicable.

6. Background information

6.1. The Council's treasury management activity is underpinned by CIPFA's Treasury Management in Public Services: Code of Practice (the CIPFA Code), which requires local authorities to produce annually, Prudential Indicators and a Treasury Management Strategy Statement. CIPFA has defined Treasury management as: "The management of the local Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

6.2. The CIPFA Code requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management, is then subject to scrutiny before being approved by Full Council.

6.3. In Haringey, the Corporate Committee is responsible for formulating the Treasury Management Strategy Statement for recommendation to Full Council through Overview and Scrutiny Committee and in consultation with the Cabinet Member for Finance. Any comments made by the Overview and Scrutiny Committee will be reported to the Corporate Committee for consideration.

6.4. The key updates to the proposed strategy being considered are summarised as follows:

- The Treasury Management Strategy Statement sets out a five-year position which better aligns with the Council's medium term financial strategy and budget report in section 3 of Appendix 1 to this report.
- For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3.50%, and that new long-term loans will be borrowed at an average rate of 4.50%.
- The Council's borrowing strategy is set out in section 4 of Appendix 1. The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.
- The Council's treasury investment strategy is set out in section 5 of Appendix 1. The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses

from defaults and the risk of receiving unsuitably low investment income.

- The Council's treasury management prudential indicators are set out in section 7 of Appendix 1. This section outlines how the Council plans to measure and manage its exposures to treasury management risks including credit risk, liquidity risk and refinancing risk.
- Annex A to the draft Treasury Management Strategy Statement includes an economic and interest rate forecast from the Council's treasury management advisors, Arlingclose.

7. Contribution to Strategic Outcomes

7.1. The treasury strategy will influence the achievement of the Council's budget.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. The approval of a Treasury Management Strategy Statement is a requirement of the CIPFA Treasury Management Code of Practice and CIPFA Prudential Code.

8.2. Financial Comments are contained throughout the treasury management strategy statement.

Legal

8.3. The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report. The Council must make arrangements for the proper administration of its financial affairs and its power of borrowing as prescribed in legislation.

8.4. The Council is required to determine and keep under review its borrowing and in complying with this requirement it must have regard to the code of practice entitled the "Prudential Code for Capital Finance in Local Authorities" as published by CIPFA from time to time. In considering the report Members must take into account the expert financial advice available and any further oral advice given at the meeting of the Committee.

8.5. Under the Council's Constitution, the terms of reference for Corporate Committee include "formulating the Treasury Management Strategy Statement and amendments to it for recommendation to full Council through Overview and Scrutiny Committee and in consultation with the Cabinet Member for Finance". Provided that the Overview and Scrutiny Committee have had an opportunity to consider the TMSS and the Cabinet Member for Finance has been consulted, Corporate Committee may approve the recommendation in this report.

Equalities

8.6. There are no equalities issues arising from this report.

9. Use of Appendices

9.1. Appendix 1 – Treasury Management Strategy Statement 2023/24

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

London Borough of Haringey

Treasury Management Strategy Statement 2023/24

1. Introduction

1.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

1.2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

1.3. Investments held for service purposes or for commercial profit are considered in section 6 of this report, the Investment Strategy.

2. External Context – provided by the Council's appointed treasury advisor, Arlingclose

Economic background

2.1. The ongoing impact on the United Kingdom (UK) from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Council's treasury management strategy for 2023/24.

2.2. In December 2022, the Bank of England (BoE) increased the Bank Rate by 0.50% to 3.50%. This followed a 0.75% rise in November which was the largest single rate hike since 1989, and the ninth successive increase since December 2021. The decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two members preferring to maintain the Bank Rate at 3.00% and one member preferring to increase the Bank Rate by 0.75% to 3.75%.

2.3. The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than previous forecasts (due in part to the government's support package for household energy costs), inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

2.4. The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will continue to decline throughout 2023 and the first half of 2024 due to the squeeze on household income from higher energy costs and goods prices.

2.5. CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and expectations are that it will fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if the Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE has stated it considers this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

2.6. The labour market remains tight for now, with the most recent statistics showing the unemployment rate fell to 3.7%. Earnings were up strongly in nominal terms by 6.1% for total pay and regular pay. However, when inflation is factored in, real pay for both measures was -2.7%. Looking forward, the November MPR showed the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

2.7. Interest rates have also been rising sharply in the United States (US), with the Federal Reserve increasing the range on its key interest rates by 0.50% in December 2022 to 4.25%-4.50%. This followed four successive 0.75% rises in the pace of tightening that has seen rates increase from 0.25% - 0.50% in March 2022.

2.8. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% between July and September 2022, a better-than-expected rise, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

2.9. Inflation has been rising consistently in the Euro Zone since the start of 2022, hitting an annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an expansion of just 0.3% in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.5% in December, taking it main refinancing rate to 2.5% and deposit facility rate to 2.0%

Credit Outlook

2.10. Credit default swap (CDS) prices generally followed an upward trend throughout 2022, indicating higher credit risk. The CDS prices have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook. However, the prices remain well below the levels seen at the beginning of the Covid-19 pandemic.

2.11. CDS price volatility has been higher in 2022 compared to 2021, and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

2.12. The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

2.13. There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

2.14. However, the institutions on the Council's treasury management adviser Arlingclose's counterparty list remain well-capitalised and the counterparty advice provided on both recommended institutions and maximum duration remain under constant review, and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (December 2022)

2.15. The Council's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

2.16. While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remain persistently higher.

2.17. Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.50%, 3.50%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium, and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty events.

2.18. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Annex A.

2.19. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3.50%, and that new long-term loans will be borrowed at an average rate of 4.50%.

3. Local Context

3.1. On 31 December 2022, the Council held £783.5m of borrowing and £53.2m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast (Capital Financing Requirement)

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
General Fund CFR	567.9	683.9	811.6	956.7	1,129.8	1,269.9	1,356.7
HRA CFR	404.7	487.3	627.9	825.5	1,049.6	1,209.1	1,326.7
Total CFR	**972.6**	**1,171.2**	**1,439.5**	**1,782.2**	**2,179.4**	**2,479.0**	**2,683.4**
Less: Other debt liabilities*	-26.8	-22.0	-17.6	-13.1	-10.4	-9.6	-8.8
Loans CFR	**945.8**	**1,149.2**	**1,421.9**	**1,769.1**	**2,169.0**	**2,469.4**	**2,674.6**
Less: Internal borrowing	-245.4	-169.3	-187.0	-210.2	-235.2	-262.3	-310.3
CFR Funded by External Borrowing	**700.4**	**979.9**	**1,234.9**	**1,558.9**	**1,933.8**	**2,207.1**	**2,364.3**
Breakdown of External Borrowing:							
Existing borrowing**	700.4	778.3	661.3	618.3	607.4	596.6	585.8
New borrowing to be raised	-	201.6	573.6	940.6	1,326.4	1,610.5	1,778.5

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The Council has an increasing CFR due to the capital programme, but minimal treasury investments and will therefore be required to borrow up to £1,778.5m over the forecast period.

3.3. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during the course of the medium-term financial strategy (MTFS).

3.4. The capital plans which underpin the borrowing requirement above are dealt with in the Council's main budget report (in particular the Capital Strategy section). The Council's capital programme is robustly scrutinised and tested to ensure that the capital plans are affordable and prudent. Table 1 shows the five-year effects of the Council's capital programme; however all capital plans are assessed in their entirety (i.e., some schemes are for a greater than five year time frame).

3.5. The breakdown of the forecast borrowing position at each financial year end for both the General Fund and the HRA is shown in table 2 below:

Table 2: Year-end Borrowing Position Summary

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
General Fund borrowing	359.4	472.4	586.8	713.2	864.0	977.8	1,017.4
HRA borrowing	341.0	507.5	648.1	845.7	1,069.8	1,229.3	1,346.9
Total borrowing	**700.4**	**979.9**	**1,234.9**	**1,558.9**	**1,933.8**	**2,207.1**	**2,364.3**

Liability Benchmark

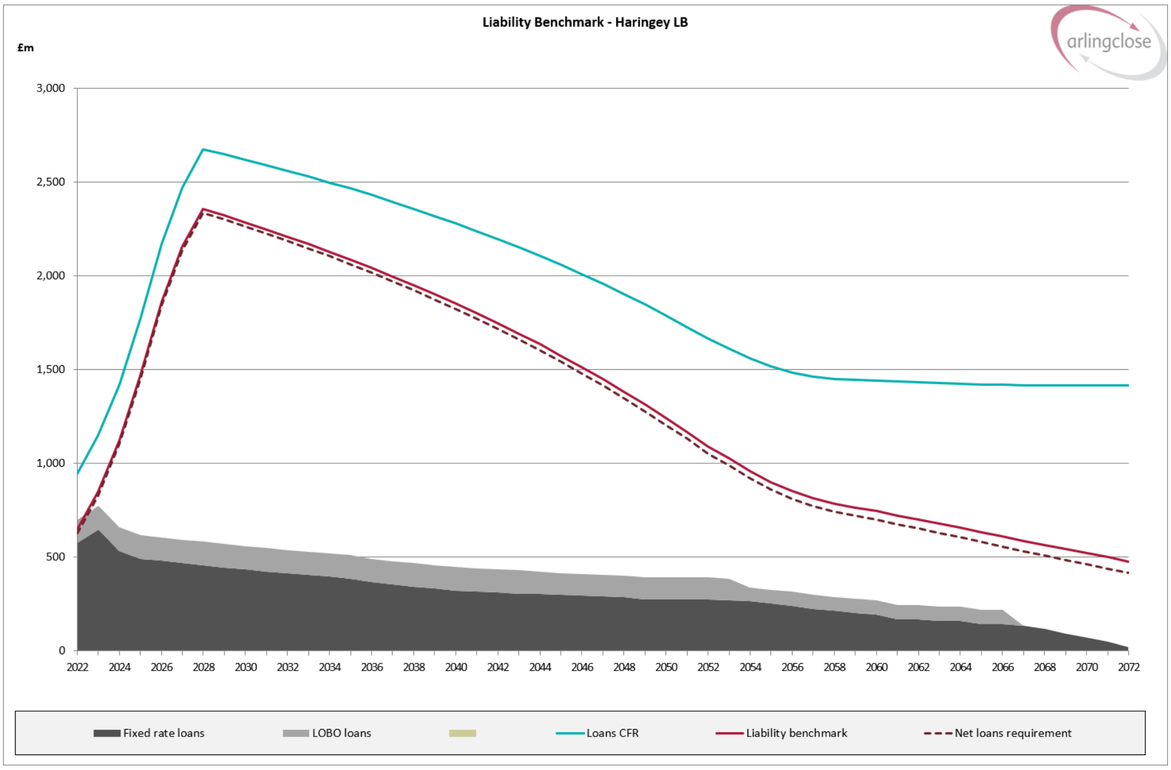
3.6. The liability benchmark has been calculated to compare the Council's actual borrowing against an alternative strategy. The liability benchmark shows the lowest risk level of borrowing. This assumes the same borrowing forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain sufficient liquidity but minimise credit risk.

3.7. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or a long-term investor in the future. This is important in developing the Council's strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 3: Prudential Indicator – Liability Benchmark

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Loans CFR	945.8	1,149.2	1,421.9	1,769.1	2,169.0	2,469.4	2,674.6
Less: Balance Sheet resources	-316.6	-322.2	-341.4	-322.2	-326.9	-331.7	-339.9
Net loans requirement	**629.2**	**827.0**	**1,080.5**	**1,446.9**	**1,842.1**	**2,137.7**	**2,334.7**
Plus: Liquidity allowance	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Liability Benchmark	**649.2**	**847.0**	**1,100.5**	**1,466.9**	**1,862.1**	**2,157.7**	**2,354.7**

3.8. The long-term liability benchmark assumes the same capital expenditure funded by borrowing as included in the CFR, minimum revenue provision on new capital expenditure based on a 25-year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in the chart on the following page together with the maturity profile of the Authority's existing borrowing.



4. Borrowing Strategy

4.1. On 31 December 2022, the Council held £783.5m of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to increase its borrowing by up to £534.5m by the end of 2023/24. The Council may also borrow additional sums to pre-fund future years' borrowing requirements, provided this does not exceed the authorised limit for borrowing as set out in table 4 of this report.

Objectives

4.2. The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change, is a secondary objective.

Strategy

4.3. Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The scale of the Council's capital programme, and the need to diversify the Council's debt portfolio to further minimise refinancing risk means that long term borrowing will be required during 2023/24. Therefore, the Council's strategy will be to fulfil its borrowing requirement during the financial year with a mixture of short-term and long-term borrowing.

4.4. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow using short-term loans to finance the General Fund's capital programme. However, a significant portion of the HRA capital programme will continue to be financed by long-term borrowing, in line with the HRA business plan.

4.5. By doing so, the Council aims to reduce net borrowing costs and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

4.6. The Council has in recent years raised all its long-term borrowing from the Public Works Loan Board (PWLB) but will consider long-term loans from other sources including banks, pension funds and other local authorities, and may investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council has not done this in the past and intends to avoid this activity in order to retain its access to PWLB loans.

4.7. Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

4.8. In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of Borrowing

4.9. The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Haringey Pension Fund and the London Collective Investment Vehicle)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other Sources of Debt Finance

4.10. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire Purchase
- Private Finance Initiative
- Sale and Lease Back

Municipal Bonds Agency

4.11. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Corporate Committee.

LOBOs

4.12. The Council holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £125m of these LOBOs have options exercisable during 2023/24, and with interest rates having risen sharply recently, there is now a reasonable likelihood that lenders will explore their ability to exercise their options. If they do, the Council will take the option to repay the LOBO loans to reduce refinancing risk in later years.

4.13. Some LOBO lenders may be open to negotiating premature exit terms from LOBO loans via payment of a premium to the lender. The Council's policy will be to exit LOBO agreements if the costs of replacing the loans, including all premium, transaction and funding costs, generate a material net revenue saving for the Council over the life of the loan in net present value terms, and all costs are consistent with Haringey's approved medium term financial strategy. The decision to repay a LOBO loan will be determined by the S151 Officer in consultation with the lead Cabinet member for Finance, in line with Haringey's constitution.

4.14. When loans are prematurely repaid, there is usually a premium payable to the lender, to compensate them for interest forgone at the contractual rate, where prevailing interest rates are lower. The Council would need to refinance LOBOs by raising borrowing for both the original sum borrowed, and the premium payable to the lender. However, this type of arrangement can prove beneficial where interest savings exceed premium costs. Replacing LOBOs that contain an option for lenders to increase the rate, with fixed rate debt would reduce refinancing and interest rate risk.

4.15. As the Council's borrowing portfolio grows in line with its capital spending plans, the LOBOs will continue to shrink as a proportion of the Council's total borrowing.

Short-term and Variable Rate Loans

4.16. These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.

Debt Rescheduling

4.17. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Borrowing Limits

4.18. The Council's total borrowing limits are set out in table 4 below.

4.19. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e., not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The indicator separately identifies borrowing from other long-term liabilities such as finance leases. The Authorised Limit has been set on the estimate of the most likely, prudent but not worst-case scenario with sufficient headroom over and above this to allow for unusual cash movements.

4.20. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst-case scenario but without the additional headroom included within the Authorised Limit. The Operational Boundary and Authorised Limit apply at the total level.

4.21. The Chief Finance Officer has the delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Corporate Committee.

Table 4: Borrowing Limits

	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m	2026/27 Limit £m	2027/28 Limit £m
Authorised limit - borrowing	1,286.0	1,452.3	1,817.7	2,212.2	2,487.7	2,634.5
Authorised limit - PFI & Leases	25.7	23.2	17.3	13.7	12.7	11.7
Authorised limit - total external debt	**1,311.7**	**1,475.5**	**1,835.0**	**2,225.9**	**2,500.4**	**2,646.2**
Operational boundary - borrowing	1,236.0	1,402.3	1,767.7	2,162.2	2,437.7	2,584.5
Operational boundary - PFI & Leases	23.4	21.1	15.7	12.4	11.5	10.6
Operational boundary - total external debt	**1,259.4**	**1,423.4**	**1,783.4**	**2,174.6**	**2,449.2**	**2,595.1**

5. Treasury Investment Strategy

5.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £10.8m and £116m, and similar levels are expected to be maintained in the forthcoming year. It is a requirement of the Markets in Financial Instruments Directive II (MiFID) that the Council maintains an average investment balance of at least £10m, in order to maintain professional client status.

Objectives

5.2. The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) factors when making investment decisions.

Strategy

5.3. As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.

5.4. The Council aims to maintain its policy of utilising highly creditworthy and highly liquid investments such as deposits with the Debt Management Office (DMO), AAA rated money market funds and loans to other local authorities on the Arlingclose approved counterparty list. If the Council were to consider diversifying into higher yielding asset classes during 2023/24, in particular for the estimated £10m that is available for longer-term investment due to being required for the MiFID professional client status, this would be the subject of further reports as it would represent a significant change in the treasury investment strategy.

ESG policy

5.5. Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level.

5.6. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business Models

5.7. Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

5.8. The Council may invest its surplus funds with any of the counterparty types in table 5 on the following page, subject to the limits shown.

Table 5: Treasury Investment Counterparties and Limits

Sector	Time Limit	Counterparty Limit	Sector Limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£5m	Unlimited
Banks (secured)*	2 years	£5m	Unlimited
Banks (unsecured)*	13 months	£5m	Unlimited
Building societies (unsecured)*	13 months	£5m	£20m
Registered providers (unsecured)*	5 years	£5m	£20m
Money Market Funds	n/a	£5m	Unlimited
Strategic Pooled Funds	n/a	£5m	Unlimited
Real Estate Investment Trusts	n/a	£5m	Unlimited

Minimum Credit Rating

5.9. Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Government

5.10. The Council may invest in loans, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Bank Secured Investments

5.11. Bank secured investments are investments that are secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and Building Societies (unsecured)

5.12. The Council may invest in accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered Providers (unsecured)

5.13. The Council may invest in loans, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money Market Funds

5.14. Money market funds are pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over banks of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic Pooled Funds

5.15. Strategic pooled funds include bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real Estate Investment Trusts (REITs)

5.16. REITs are publicly traded companies that invest mainly in real estate and pay most of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational Bank Accounts

5.17. The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk Assessment and Credit Ratings

5.18. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.19. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

5.20. The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

5.21. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits

5.22. The Council's revenue reserves available to cover investment losses are forecast to be £5 million on 31st March 2024 and £5 million on 31 March 2025. In order that no more than 100% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

5.23. Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 6: Additional Investment Limits

	Cash Limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£5m per country
Registered providers and registered social landlords	£5m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£5m in total
Money market funds*	£25m in total
Real Estate Investment Trusts	£5m in total

* These limits apply for both Haringey Council and Haringey Pension Fund, so the limit for Money Market Funds is £5m per MMF and £25m aggregate limit for the Council, and £25m for the Pension Fund.

Liquidity Management

5.24. The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

6. Investment Strategy

6.1. The Council invests its money for three broad purposes:

- **Treasury management investments** – where the Council has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure,
- **Service investments** – to support local public services by lending to or buying shares in other organisations,
- **Commercial investments** – where the main purpose of the investment is to earn an investment income

6.2. This investment strategy section of the report meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

6.3. The Council typically receives its income in cash (e.g., from taxes and grants) before it pays for its expenditure in cash (e.g., through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £20 million and £75 million during the 2023/24 financial year.

6.4. The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Service Investments

6.5. The Council lends money to third parties such as its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

6.6. The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, it will be ensured that any new loans made will remain proportionate to the size of the Council. Balances as at 31 March 2022 were as follows:

Table 7: Loans for service purposes in £ millions as at 31 March 2022

Category of borrower	31.03.22 Balance £m	Loss allowance £m	31.03.22 Net figure in accounts £m
Local Businesses	1.6	(0.9)	0.7
Local Charities	49.0	(43.5)	5.5
Local Residents	0.1	-	0.1
Total Investments	**68.1**	**(44.4)**	**23.7**

6.7. The largest balance above relates to Alexandra Palace debts (shown under local charities). There are historic debt balances owed by the Trust that have not been legally discharged, totalling £49.0m. Much of this loan, £43.5m, is legally outstanding but does not currently have repayments being made, this debt dates back to previous decades when Haringey Council, expended funds on behalf of the Trust. Although the £43.5m debt has not been legally discharged, the Council has agreed that it will only seek to recover this when the Trust is in a position to repay amounts due.

6.8. The remainder of the outstanding amount are more recent loans relating to works carried out on the Ice Rink and West Storage Yard – these are being repaid in line with the original loan agreements. Loans issued to local business are arranged through the Opportunity Investment Fund.

6.9. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

6.10. **Risk assessment**: The Council assesses the risk of loss before entering into and whilst holding service loans by weighing up the service outcomes any such loan could provide against the creditworthiness of the recipient. This is done on a case-by-case basis, given the low number of such arrangements. This forms part of the Council's capital programme, further details of which are in the Council's annual medium term financial strategy.

Commercial Investments: Property

6.11. The Council holds properties which are classified as 'investment properties' in the Council's statement of accounts. These properties are all within the local area, therefore contributing to the Council's local placemaking responsibilities, and include approximately 200 shops, offices and other commercial premises. The revenue stream associated with these (net of the costs of maintaining the properties) forms part of the Council's annual budget, therefore contributing to the resources available to the Council to spend on local public services. Any future acquisitions that the Council makes in this area will be made with reference to the CIPFA Prudential Property Investment guidance issued in 2019.

6.12. The value of investment properties disclosed in the 2021/22 draft statement of accounts was £99.4m.

Capacity, Skills, Culture and Advice

6.13. CIPFA's Treasury Management Code of Practice requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs, and have a full understanding of their roles and responsibilities.

6.14. Given the significant sums of money involved in treasury management, it is crucial for members to have the necessary knowledge to understand the framework by which decisions are made and their impact on the Council's finances. Regular training sessions are arranged for members to keep their knowledge up to date.

6.15. The training needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and other providers in the industry. Staff are also encouraged to study professional qualifications relevant to their responsibilities in the organisation from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

6.16. The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital financing issues. The quality of this service is reviewed by the Council's senior treasury management officers.

6.17. Appropriately skilled and experienced finance and legal officers work with service departments to ensure that the risks associated with any projects they undertake, and compliance with regulation and statutory guidance are properly understood and form a key consideration in any decision-making process.

6.18. The Council's constitution has clearly defined roles and responsibilities for treasury management responsibilities, both for members, committees, and officers.

Investment Indicators

6.19. The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure

6.20. The first indicator shows the Council's total exposure to potential investment losses.

Table 8: Total Investment Exposure

Investment Type	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m
Treasury management investments	71.2	65.0	65.0
Service investments: loans	23.7	23.7	23.7
Commercial investments: property	99.4	99.4	99.4
Total Investments	**194.3**	**188.1**	**188.1**

How investments are funded

6.21. Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is challenging to comply with. However, the following investments could be described as funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 9: Investments Funded by External Borrowing

Investment Type	31.3.22 Actual £m	31.03.22 Forecast £m	31.03.23 Forecast £m
Treasury management investments	0.0	0.0	0.0
Service investments: loans	17.6	20.4	20.9
Commercial investments: property	73.6	85.2	87.3
Total Investments	**91.2**	**105.6**	**108.2**

Rate of return received

6.22. This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 10: Investment Rate of Return

Investment Type	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m
Treasury management investments	0.07%	1.55%	3.50%
Service investments: loans	2.86%	2.86%	2.86%
Commercial investments: property	6.29%	4.00%	4.00%
Total Investments	**3.59%**	**3.01%**	**3.68%**

7. Treasury Management Prudential Indicators

7.1. The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

7.2. The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio average credit rating	Above A-, score of 7 or lower

Liquidity

7.3. The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling 3-month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£20m

Interest rate exposures

7.4. This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest Rate Risk Indicator	Target
Upper limit on one-year revenue impact of a 1% rise in interest rates	£2m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£2m

7.5. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing

7.6. This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing are shown on the following page:

Refinancing Rate Risk Indicator	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	100%	0%

7.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Total short-term borrowing

7.8. The Council has used short term borrowing (under 1 year in duration) from other local authorities extensively in recent years, as an alternative to longer term borrowing from PWLB, due to the lower interest rates, and subsequent revenue savings. Short term borrowing can also be raised from other counterparties such as banks. Short term borrowing exposes the Council to refinancing risk – the risk that interest rates rise quickly over a short period of time and are at significantly higher rates when the loans mature, and new replacement borrowing is required. Bearing this in mind, the Council will set a limit on the total amount of short-term borrowing that has no associated protection against interest rate rises, as a proportion of all borrowing.

Short term borrowing	Target
Upper limit on short-term borrowing that exposes the Council to interest rate rises as a percentage of total borrowing	30%

Long-term treasury management investments

7.9. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price Risk Indicator	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£10m	£10m	£10m

8. Minimum Revenue Provision Policy Statement

8.1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.

8.2. The Local Government Act 2003 requires the Council to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.

8.3. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

8.4. The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

8.5. The Council's MRP policy was reviewed and revised to better reflect the rules set out in the prudential code and government guidance around prudent provision for repayment of borrowed capital. The revised policy, which took effect from 1 April 2016, ensured that provision for capital repayment is made over a period that is commensurate with the period in which the asset purchased provides benefits.

General Fund MRP policy: borrowing before 2007/08

8.6. The Council calculates MRP on historic debt based on the Capital Financing Requirement (CFR) as at 1 April 2007 at 2% of that CFR, fixed at the same cash value so that the whole debt is repaid after 50 years in total.

8.7. The historic MRP policy for borrowing incurred before 2007/08 led to MRP charges that exceeded what prudence required during the period from 1 April 2007 to 31 March 2016. This resulted in a cumulative charge at 31 March 2016 that was in excess of what is considered prudent and appropriate under the current policy. To reflect the historic over-provision the Council undertakes an annual review to determine whether to make a realignment of MRP charged to the General Fund, using the policy set out above, to recognise the excess sum charged to that point.

8.8. The following conditions will apply to the annual review:

- Total MRP after applying realignment will not be less than zero in any financial year.
- The cumulative total of the MRP realignment will never exceed the amount of historical over-provision calculated to 31 March 2016.

8.9. The table below summarises the historic overprovision position on pre 2008 General Fund expenditure:

Table 11: Summary of historic overprovision of MRP on pre 2008 GF expenditure

Investment Type	£m
MRP provided between 2008-2016 under previous policy to 31.3.2016	78.0
MRP required to be provided between 2008-2016 under current policy	45.2
Overprovision as at 31.3.2016	32.8

8.10. The remaining overprovision of MRP as at 31.3.2023 was £2.7m. The estimated MRP charges relating to pre 2008 general fund expenditure are summarised in the table below, due to the historic overprovision, MRP charges are estimated to be nil until part way through 2022/23 at which point the historic overprovision will be cleared.

Table 12: Estimated MRP charges on GF pre 2008 expenditure

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
MRP charge on pre-2008 GF expenditure	5.0	5.0	5.0	5.0	5.0	5.0
Less: Historic overprovision	(2.7)	0.0	0.0	0.0	0.0	0.0
Net MRP charge for pre 2008 expenditure	2.3	5.0	5.0	5.0	5.0	5.0

General Fund MRP policy: prudential borrowing from 2007/08

8.11. For capital expenditure incurred on schemes after 31 March 2008, MRP will be determined by charging the expenditure over the expected useful life to the relevant asset as the principal repayment based on the annuity method in accordance with Option 3 of the guidance.

8.12. This means that MRP will be calculated on an annuity basis (like many domestic mortgages) over the estimated life of the asset, at an appropriate interest rate. Estimated life periods will be determined by the Section 151 Officer under delegated powers.

8.13. In accordance with the provisions in the guidance, MRP will be first charged in the financial year following the one in which the entire asset to which the charge relates, becomes fully operational.

8.14. Financial agreements such as loans, investments or where assets are to be acquired for future development (including where capital receipts are part of the business case), will not, at the discretion of the CFO, attract MRP. This discretion will be applied where it is reasonable to assume that the initial capital investment will be returned to the Council in full at maturity or over a defined period.

Housing Revenue Account (HRA) MRP Policy

8.15. There is no statutory requirement to make an annual MRP charge for HRA assets, and the Council does not currently plan to do this given the current low level of debt per property that the Council holds, and the fact that sums charged as depreciation in the HRA are spent on major repairs to the Council's housing stock to ensure they remain in suitable condition. This policy will be kept under annual review.

Concession Agreements

8.16. MRP in relation to concession agreements (e.g., PFI contracts) and finance leases are calculated on an asset life method using an annuity repayment profile, consistent with the method for all prudential borrowing since 2007/08. Estimated life periods will be determined under delegated powers.

Finance Leases

8.17. For assets acquired by finance leases, including leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Statutory capitalisations

8.18. For expenditure which does not create a fixed asset but is statutorily capitalised and subject to estimated life periods that are referred to in the guidance, these estimated periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

8.19. Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, at the discretion of the Section 151 Officer.

8.20. The Section 151 Officer may approve that such debt repayment provision may be made from capital receipts or from revenue provision.

9. Related Matters

9.1. The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives

9.2. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

9.3. The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

9.4. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk will be included to count against the counterparty credit limit and the relevant foreign country limit.

9.5. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account

9.6. On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive

9.7. The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Director of Finance (S151 Officer) believes this to be the most appropriate status.

10. Financial Implications

10.1. The budget for investment income in 2023/24 is £2.3m based on an average investment portfolio of £65 million at an interest rate of 3.50%. This is assumed to remain constant throughout the MTFS period.

10.2. The budget for debt interest paid in 2023/24 is detailed in table 13 below for both the General Fund and HRA. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against the budget will be correspondingly different.

10.3. Table 13 demonstrates the revenue budgets in both the General Fund and HRA for both interest costs on borrowing and minimum revenue provision (MRP) charges. The Council's capital programme is moving to a financing strategy that seeks to ensure that investment via the capital programme is self-financing. The self-financing schemes will normally only process if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. The level of these savings is demonstrated in the table below.

Table 13: Revenue budget for interest costs and MRP

	2022/23 Budget £m	2023/24 Forecast £m	2024/25 Forecast £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
MRP - pre 2008 expenditure	2.3	5.0	5.0	5.0	5.0	5.0
MRP - post 2008 expenditure	11.1	13.7	17.2	21.4	26.0	30.6
Total MRP	**13.4**	**18.7**	**22.2**	**26.4**	**31.0**	**35.6**
Interest Costs (GF)	11.3	16.9	23.3	25.1	30.0	33.1
Total Gross Capital Financing Costs (GF)	**24.7**	**35.6**	**45.5**	**51.5**	**61.0**	**68.7**
Offsetting Savings for self-financing schemes	-8.8	-12.7	-18.8	-23.5	-29.5	-33.1
Total Net Capital Financing Costs (GF)	**15.9**	**22.9**	**26.7**	**28.0**	**31.5**	**35.6**
Interest Costs (HRA)	**14.9**	**18.6**	**27.4**	**36.8**	**44.9**	**50.3**

11. Other Options Considered

11.1. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance (S151 Officer), having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed on the following page.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Economic & Interest Rate Forecast - December 2022

Underlying assumptions:

- The influence of the previous UK Government's mini budget on interest rates and yields continues to wane following the more responsible approach shown by the current administration.
- Volatility in global markets continues as investors seek to understand the extent to which central banks are willing to tighten their monetary policy, as evidence of recessionary conditions builds. Investors appear to be more cautious, often willing to price in the downturn in growth and easing financial conditions. This raises the risk that central banks may incur a policy error by tightening too aggressively.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power and recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy in 2022, and the lingering effects of the autumn mini budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains gloomy.
- Demand for labour appears to be declining, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. The Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight, and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short-term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

Forecast:

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March, and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy but will be reluctant to do so until wage growth eases. Arlingclose forecast rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.

- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

Interest Rate Forecast:

The table below shows the most recent interest rate forecast provided by Arlingclose.

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

This page is intentionally left blank

Report to the Corporate Committee on 2 February 2023

LONDON BOROUGH OF HARINGEY COUNCIL

Progress Report: year ended 31 March 2021

IDEAS | PEOPLE | TRUST

BDO

CONTENTS

WELCOME

Contents

We have pleasure in presenting our Progress Report to the Corporate Committee. This report is an integral part of our communication strategy with you, a strategy which is designed to ensure effective two-way communication throughout the audit process with those charged with governance.

It summarises the results of our work to date for the year ended 31 March 2021, specific audit findings and areas requiring further discussion and/or the attention of the Corporate Committee. It includes the findings, conclusions and misstatements identified to date. We will provide an update on outstanding work at the Corporate Committee.

In the meantime if you would like to discuss any aspects in advance of the meeting we would be happy to do so.

We would also like to take this opportunity to thank the management and staff of the Council for the co-operation and assistance provided thus far during the audit.

David Eagles, Partner
For and on behalf of **BDO LLP**, Appointed Auditor

23 January 2023

David Eagles
Engagement lead

t: 01473 320728
m: 07967 203431
e: David.Eagles@bdo.co.uk

Tharshiha Vosper
Audit Manager

t: 0203 860 6271
m: 079993 74180
e: Tharshiha.Vosper@bdo.co.uk

Anmol Uppal
Assistant Manager

t: 020 3219 4109
m: 075830 09103
e: Anmol.Uppal@bdo.co.uk

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. This report has been prepared solely for the use of the Corporate Committee and Those Charged with Governance. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person. For more information on our respective responsibilities please see the appendices.

OVERVIEW
Executive summary

Contents

This summary provides an overview of the audit matters that we believe are important to the Corporate Committee in reviewing the results of the audit of the Group financial statements and single entity financial statements of the Council for the year ended 31 March 2021.

It is also intended to promote effective communication and discussion and to ensure that the results of the audit appropriately incorporate input from those charged with governance.

This report includes only those matters arising from the audit work completed up to the date of its issue. As the audit is still subject to completion, other matters may arise between this date and the date of the Corporate Committee and the date of us issuing our audit opinion.

We will provide a verbal update to Committee members on any changes, before issuing a final Audit Completion Report prior to the issue of our independent auditor's report.

Overview

Our audit fieldwork on the financial statements is in progress.

We presented our Audit Planning Report to the Corporate Committee in November 2021. No additional significant audit risks have been identified.

Our work on the Council's value for money arrangements is in progress. We will report the results of our work to those charged with governance in our Auditor's Annual Report. We expect to publish our report no later than three months following the date of our audit opinion.

No restrictions were placed on our work.

Audit report

To date, nothing has come to our attention from work completed to date that would result in modification of the audit opinion on the consolidated Group financial statements, or the single entity financial statements.

We have no exceptions to report at this stage in respect of the value for money arrangements.

Our audit certificate will be issued when we have completed our work on value for money arrangements.

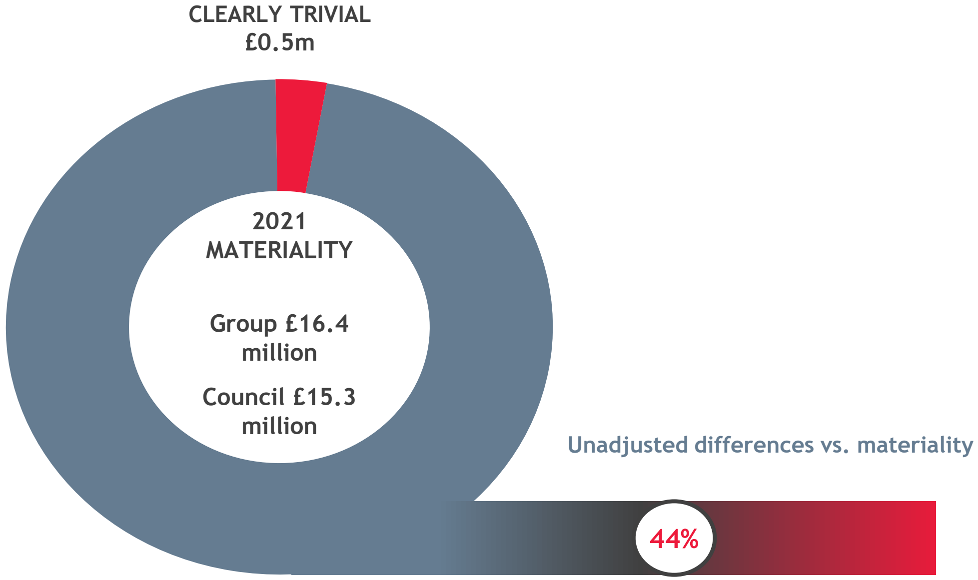
Page 142

Contents

Final materiality

Materiality for the Group and the Council, was determined based on 1.5% of gross expenditure of the Group financial statements and the Council financial statements.

We have increased our materiality from £14.8 million to £15.3 million (Group materiality has remained the same at £16.4 million) as a result of an increase in the final outturn of gross expenditure compared to the prior year.



Material misstatements

From the work completed to date, we have not identified any material misstatements.

Unadjusted audit differences

We have identified several audit differences which are detailed on page 26.

We are currently in discussion with management with regards to which of these adjustments will be adjusted for in the final financial statements.

Audit scope

Our approach was designed to ensure we obtained the required level of assurance across the components of the Group in accordance with ISA (UK) 600 (Audits of Group Financial Statements).

We have audited the Council's financial statements under the NAO's Code of Audit Practice.

Homes for Haringey is audited by PwC and Alexandra Park and Palace Charitable Trust is audited by Hays Macintyre.

Contents

Financial reporting

- We have not identified any non-compliance with Group accounting policies or the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
- No significant accounting policy changes have been identified impacting the current year
- Going concern disclosures are deemed sufficient
- The Narrative Report and other information included in the Statement of Accounts with the financial statements is consistent with the financial statements and our knowledge acquired in the course of the audit.
- The Annual Governance Statement complies with relevant guidance and is not inconsistent or misleading with other information we are aware of.

Other matters that require discussion or confirmation

- Confirmation on fraud, contingent liabilities and subsequent events

Independence

We confirm that the firm and its partners and staff involved in the audit remain independent of the Council and the Group in accordance with the Financial Reporting Council’s (FRC's) Ethical Standard.

AUDIT RISKS OVERVIEW

As identified in our Audit Planning Report (November 2021), we assessed the following matters as being the most significant risks of material misstatement in the financial statements. These include those risks which had the greatest effect on the overall audit strategy; the allocation of resources in the audit and the direction of the efforts of the engagement team. No additional significant audit risks have been identified.

Audit Risk	Risk Rating	Impact of management estimate or judgement	Use of experts required	Error identified	Control Findings to be reported	Discussion points / Letter of Representation
Management override of controls	Significant	Medium	No	No	No	No
Revenue recognition	Significant	Medium	No	Yes	No	No
Expenditure cut-off	Significant	Low	No	Yes	No	No
Valuation of non-current assets	Significant	High	Yes	No	No	No
Valuation of pension liability	Significant	High	Yes	No	No	No
Reconciliation of bank accounts	Significant	Low	No	No	No	No
Allowance for non-collection of receivables	Significant	Medium	No	No	No	No
Related party transactions	Normal	Low	No	No	No	No
Sustainable finances (use of resources)	Significant	N/A	N/A	N/A	N/A	N/A

Areas requiring your attention

MANAGEMENT OVERRIDE OF CONTROLS

Auditing standards presume that management is in a unique position to perpetrate fraud by overriding controls.

Significant risk	■
Normal risk	
Significant management estimate or judgement	
Use of experts	
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

Management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.

Work performed

We carried out the following planned audit procedures:

- Reviewed and verified journal entries made in the year, agreed the journals to supporting documentation. We determined the key risk characteristics to filter the population of journals and used our IT team to assist with the journal extraction;
- Reviewed estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- Reviewed unadjusted audit differences for indications of bias or deliberate misstatement.

Results

We used our data analytics tool, BDO Advantage, to analyse journals processed throughout the year and as part of the financial reporting. We identified several journal entries that we considered to be high risk.

Our review noted that all journals were adequately supported and related to transactions in the normal course of business. No evidence of management override has been identified.

From the work completed to date on our review of management estimates, we have not identified the existence of any systemic bias.

There were no unadjusted audit differences which could indicate bias or deliberate misstatement.

Conclusion

Based on the work we have completed; we have no matters to bring to your attention.

REVENUE RECOGNITION

Under auditing standards there is a presumption that income recognition presents a fraud risk.

Significant risk	■
Normal risk	
Significant management estimate or judgement	
Use of experts	
Unadjusted error	■
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

Under auditing standards there is a presumption that income recognition presents a fraud risk. We consider there to be a significant risk in respect of the existence (recognition) of grants that are subject to performance conditions before these may be recognised as revenue in the comprehensive income and expenditure statement(CIES).

Work performed

Our audit procedures included testing a sample of grants included as income in the CIES to ensure that recognition criteria, as set out in supporting evidence from the grant paying bodies was met.

Results

Our testing of revenue and capital grants confirmed that these were generally recognised when performance conditions attached to them had been satisfied. We identified one factual error for £905k (extrapolated error of £971k) with respect to an over-accrual of a Transport for London (TFL) grant (see adjustment 2 on page 26).

We have undertaken a review of Covid related grants and from the work completed to date, confirmed that we concur with the Council's accounting treatment as either agent or principal.

Conclusion

Based on the work we have completed we have identified an error in respect to an over-accrual of a grant.

EXPENDITURE CUT-OFF

Contents

For public sector bodies the risk of fraud related to expenditure is also relevant.

Significant risk	■
Normal risk	
Significant management estimate or judgement	
Use of experts	
Unadjusted error	■
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

For net-spending bodies in the public sector there is also risk of fraud related to expenditure. For the Council, we consider the risk of fraud to be in respect of the cut-off of expenditure around the year-end within the correct accounting period (cut-off).

Work performed

We carried out the following planned audit procedures:

- Checked that the expenditure was recognised in the correct accounting period by substantively selecting items of expenditure based on a lower threshold, for both invoices received, and bank payments made:
  - pre year end to reflect the increased risk that expenditure relating to future years is incorrectly recognised in the current year
  - post year end to reflect the increased risk that expenditure relating to inappropriately posted into 2021/22.

Results

Our audit work on expenditure cut off has tested a sample of items around the year-end, by agreeing them to supporting documentation, determining which financial period the expenditure was related to and confirming that the expenditure has been recognised in the correct year, with accruals/creditors or prepayments recognised where necessary.

We have confirmed one cut off error for £2.96m in respect of Berkeley Square Development costs which related to March 2021 expenditure not accrued for in the financial statements (see adjustment 1 on page 26).

We are currently in discussion with management with regards to several other expenditure transactions which have not been accrued for in 2020/21. However, we anticipate that these are a consequence of the Council's accrual policy and the de-minimus level of £20k for expenditure accruals.

Conclusion

Based on the work we have completed, we have identified one misstatement for £2.96m in respect of expenditure transactions which should be accrued for within the 2020/21 financial statements.

VALUATION OF NON-CURRENT ASSETS

Contents

The valuation of non-current assets is a significant risk as it involves a high degree of estimation uncertainty.

Significant risk	■
Normal risk	
Significant management estimate or judgement	■
Use of experts	■
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

Local authorities are required to ensure that the carrying value of land, buildings and dwellings is not materially different to the current value (operational assets) or fair value (surplus assets, assets held for sale and investment properties) at the balance sheet date. There is a risk over the valuation of these assets due to the high degree of estimation uncertainty and where updated valuations have not been provided for a class of assets at the year-end.

Additionally, in the prior year, we identified errors in the underlying property data held by the Council and provided to the valuer, such as incorrect gross internal areas held by the Council not being of the full area of the asset being valued, resulting in inaccurate valuations.

Work performed

We carried out the following planned audit procedures:

- Reviewed the instructions provided to the valuer and the valuer's skills and expertise and confirmed we can rely on the management expert;
- Confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- Reviewed the accuracy and completeness of information provided to the valuer, such as rental agreements and sizes;
- Reviewed the assumptions used by the valuer and movements against relevant indices for similar classes of assets;
- Followed up where valuation movements appeared unusual; and
- Confirmed that assets not specifically valued in the year have been assessed to ensure their reported values remain materially correct.

Results

Please see subsequent slides for results of work performed.

Conclusion

Our work is ongoing and we cannot provide preliminary conclusions at this point.

Page 149

VALUATION OF NON-CURRENT ASSETS

Contents

Council dwellings

Council dwellings have increased in value by £70.1m, including revaluation gains of £42.1m.

Council dwellings are valued at open market value and adjusted to 25% of this valuation to reflect the discounted social rents charged to tenants. The adjustment reflects information provided by DCLG in 2016 for regional (London) differences between market rents and social rents. The valuer has adopted the Beacon approach when valuing the council dwellings, where the properties are allocated into relevant Beacons (for similar types of properties) and valued by reference to recent sales data for similar properties.

Beacons are normally valued on a 5-years rolling programme with approximately 20% revalued each year. The remaining properties not revalued in year are adjusted by local price indices, such as data provided by the Land Registry. For 31 March 2021, a full revaluation of all beacons (circa 450) took place.

The key input to the valuation is the allocation of all dwellings into an appropriate Beacon. For a sample of dwellings we confirmed that these were allocated to an appropriate Beacon by reference to location, architype and number of bedrooms.

The key estimates are the open market value of a Beacon by reference to recent similar sales for revalued Beacons. We reviewed Beacon valuations to data used by the valuer to confirm that appropriate similar recent sales had been used. In order to assess the valuation, we have created an expectation range on the year on year movement in the Beacon between 2019/20 and 2020/21 by reference to five different Housing Price Indexes. For those beacons that were outside of the expected range (circa 300), we have conducted further market research and discussed our findings with the valuer.

We note that the valuer had used three comparator sales (of properties that the valuer considered sufficiently similar to the Beacon type) to support the Beacon revaluation. However, the valuer has provided little evidence for us to review to assess whether further adjustments should be made to the comparable property sold for issues such as price movements from the date of sale to the date of valuation, size differentials or specific location adjustments for the property.

Our expectation would be that price adjustments are made for date of sale and other property specific adjustments for size, specific location, standard of decoration, access to gardens etc. This is likely to result in larger variances for re-priced Beacons and may account for the larger outlier movements for revalued Beacons in each year.

We noted that several of these differences appear to be as a result of the location of the Beacon property compared to the comparable sales. To substantiate that there are no significant differences as a result of different locations being used, we have obtained deprivation maps of Haringey and undertook reviews to see whether locations used are comparable. Our initial review of this has identified some differences, which we are currently investigating.

We are currently in discussion with management and the external valuers (Wilks, Head and Eve) with regards to this matter and how further assurance can be obtained to support the comparable sales used in the Beacon revaluation. As part of this, we have engaged with our internal property valuation specialists, to substantiate any explanations provided for differences between the Beacon property and the comparable sales.

Our audit work on council dwellings is in progress.

Page 150

VALUATION OF NON-CURRENT ASSETS

Non-school land and buildings

For operational, non-specialised properties, these valuations may be based on:

- income approach using the current net profits for the assets at market driven yield expectations for similar types of assets (eg car parks, markets); and
- recent market sales prices for similar assets adjusted for size and condition.

The significant valuation assumptions are the market yield applied to net profits and sales of similar properties.

For specialised properties, they do not have a market value due to their specialised nature are valued on a depreciated replacement cost basis. This valuation estimates the cost of replacing the 'service potential' of that asset using modern materials and adjusted to reflect the age and obsolescence of the asset to reflect its remaining useful economic life.

We set detailed expectations for year on year valuation movements in asset values, taking into account various external sources of information tailored to the individual assets that were revalued. For those assets where the valuation movement was outside of the expected range, we reviewed the valuer's calculations and assumptions. We also selected all material properties and a sample of others to review the accuracy and completeness of the data inputs used by the valuer. Our audit of the valuation is still in progress.

Our testing identified a significant number of valuations where the evidence for inputs into these valuations, specifically gross internal floor areas were post valuation date. Work is ongoing to confirm no significant movements in these inputs have occurred between the evidence date and the valuation date.

Our audit work on other land and buildings is in progress.

VALUATION OF NON-CURRENT ASSETS

Contents

Schools land and buildings

Schools do not have a market value due to their specialised nature are valued on a depreciated replacement cost basis. This valuation estimates the cost of replacing an asset with its modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

The valuer has used tender rebuild prices provided by RICS with a Haringey location cost adjustment, using an appropriate rebuild cost per square foot for each type of property. The valuer has applied an ageing adjustment using the original build date of the property and standard useful economic lives for each type of property to reflect the percentage of the remaining economic live, with ageing only coming into effect after the first 10 years of its construction as little ageing in the building is expected in these initial years. The key input to the depreciated replacement cost valuations is the size of the building and the key estimate is the rebuild cost to be applied.

We set detailed expectations for year-on-year valuation movements in asset values by comparing changes in build cost and location cost adjustment factor for 2020/21. For those assets where the valuation movement was outside of the expected range, we reviewed the valuer's calculations and assumptions.

We also selected all material schools and a sample of others to review the accuracy and completeness of the data inputs used by the valuer.

Our testing identified a significant number of valuations where the evidence for inputs into these valuations, specifically gross internal floor areas were as at the audit date. Work is ongoing to confirm no significant movements in these inputs have occurred between the evidence date and the valuation date.

Our audit work on schools land and buildings is in progress.

Investment properties

Investment properties are valued using an income based approach with reference to current use and rental values. Surplus assets are valued by reference to highest and best use market value. These valuations are based on the current passing rents for existing lease terms, expectations about future rents at the next rent review, market driven yield expectations for similar properties and the covenant strength of the existing leases. The significant valuation assumption is the market yield applied to the rents.

Investment properties increased in value by £2.5m (to £89.2 million). This is driven primarily by transfers from PPE and Assets Held for Sale of £8.0m offset by revaluation losses of £5.7m.

We set expectations on the valuation movement for the portfolio based on year-end market trends by property type (such as office, retail or industrial). For those properties where the valuation movement was outside of the expected range, we reviewed the valuer's calculations and assumptions. We also selected all material properties and a sample of others to review the accuracy and completeness of the data inputs used by the valuer. Testing is yet to be concluded on.

As part of our review, we have set the ranges for each asset type to ensure they accurately reflect the market. We have also added a deviation to each range in order to reflect location factor given that Haringey is based on the outskirts of London as opposed to central. A key area of documentation we are discussing with management is around accurate lease data to support the market rents on which the property valuations are based.

Our audit work on investment properties is in progress.

VALUATION OF NON-CURRENT ASSETS

Contents

Infrastructure assets

Historically, it has been generally accepted public sector practice for highways authorities to not write out the value of replaced highways infrastructure components and/or those components which are fully depreciated from the balance sheet. This practice has recently been highlighted as contrary to the Code requirement that the carrying amount of replaced components be written out of the Balance Sheet. There are a number of reasons for the practice being adopted including; asset registers not recording infrastructure assets with sufficient level of detail to identify individual infrastructure assets or changes to them; processes which drive infrastructure spend (e.g. condition surveys) do not record historical information relating to previous spend.

Over time, this is likely to have resulted in a material overstatement of gross book value and accumulated depreciation and net book value may be materially overstated if infrastructure is being replaced more frequently than useful economic lives suggest. We understand that Haringey Council adopts this common approach to accounting for infrastructure assets.

The Council has infrastructure assets to the net book value of £184.8m (gross cost £309.0m).

This issue has been raised nationally with the NAO and all public sector audit suppliers and discussed further at the Local Government Technical Networks.

Following consultation, CIPFA has published the CIPFA Bulletin 12 Accounting for Infrastructure Assets Temporary Solution which covers the issues to be considered regarding the temporary solution for the accounting and reporting issues relating to infrastructure assets. While key considerations have been given to highway assets, this solution applies to all infrastructure assets.

The temporary solution includes the update to the Code by way of a statutory override from 1 April 2021 to 31 March 2025 which features a temporary relief not to report gross cost and accumulated depreciation for infrastructure assets and the statutory prescriptions.

These amendment regulations provide that where a local authority replaces a component of an infrastructure asset, the authority has a choice of how to identify the carrying amount to be derecognised in respect of that component (i.e. either a nil amount or to follow the Code). The updated Code specifies that an authority is not required to make any prior period adjustment to the balances of that statement of accounts in respect of infrastructure assets.

A key consideration for the Council would be around depreciation and using a method that reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed. As part of this, Councils will need to review the pattern of consumption to ensure that appropriate useful lives are assigned to the various parts of the infrastructure assets.

Normally useful lives would be set by an authority based on their expert's views on the length of useful life either remaining if net book values are used or if using gross cost an estimate of the total useful life of an asset for an authority. As part of the guidance published, CIPFA has included reasonable ranges of useful lives of the components of highways infrastructure assets based on information provided by the UK Roads Leadership Group Asset Management Board to assist local authorities.

Page 153

VALUATION OF PENSION LIABILITY

Contents

The valuation of the pension liability is a significant risk as it involves a high degree of estimation uncertainty.

Significant risk	■
Normal risk	
Significant management estimate or judgement	■
Use of experts	■
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

The valuation of the defined benefit obligation is a complex calculation involving a number of significant judgements and assumptions. The actuarial estimate of the pension fund liability uses information on current, deferred and retired member data and applies various actuarial assumptions over pension increases, salary increases, mortality, commutation take up and discount rates to calculate the net present value of the liability.

There is a risk that the membership data and cash flows provided to the actuary at year end may not be accurate, and that the actuary uses inappropriate assumptions to value the liability. Relatively small adjustments to assumptions used can have a material impact on the Council's share of the scheme liability.

Work performed

We carried out the following planned audit procedures:

- Agreed the disclosures to the information provided by the pension fund actuary
- Reviewed the competence of the management expert (actuary)
- Reviewed the reasonableness of the assumptions used in the calculation against other local government actuaries and other observable data
- Reviewed the controls in place for providing accurate membership data to the actuary
- Checked that any significant changes in membership data had been communicated to the actuary.

Results

No issues were found in assessing the competency of managements experts. The accounts were adjusted for the updated IAS 19 figures and the revised note was then reviewed for the agreement of disclosures to information provided by the actuary.

The assumptions on which the Council has based its disclosure are consistent with those used by the actuary, which are in line with the expectations set out in PwC's consulting actuary report. Our consideration of the assumptions used in the valuation are detailed on the following pages.

The pension fund audit is still in progress. However, no control issues over the provision of accurate and complete membership data to the actuary have identified by the pension fund auditor.

Conclusion

Based on the work we have completed, we have no matters to bring to your attention.

Page 154

VALUATION OF PENSION LIABILITY

Contents

The Council's pension liability has increased from £1,576.3 million to £2,000 million and its share of the scheme assets increased from £1,082 million to £1,315 million.

We have compared the key financial and demographic assumptions used to an acceptable range provided by our consulting actuary.

PwC is engaged by the NAO to assess the work of actuaries providing IAS19 pension liability services to local public services. We have checked that the employer has used the standard assumptions proposed by the actuary that have been concluded as appropriate by PwC and documented our results on the next page.

	Actual used	Acceptable range	Comments
Financials:			
- RPI increase	3.3%	3.20 - 3.35%	Reasonable
- CPI / pensions	2.85%	2.8 - 2.85%	Reasonable
- Salary increase	3.85%	2.8 - 3.85%	Reasonable
- Discount rate	2%	1.95 - 2.05%	Reasonable
Commutation:	50%	50%	Reasonable
Mortality:			
- Male current	21.7 years	21.9 - 22.7	Reasonable
- Female current	24.2 years	23.9 - 24.9	Reasonable
- Male retired	23.1 years	23.1 - 24.3	Reasonable
- Female retired	26 years	25.4 - 26.7	Reasonable
Mortality gains	CMI 2020 (+1.5% improvement rate)		Reasonable

We consider that the assumptions and methodology used by the Council's actuary are appropriate and will result in an estimate of the pension liability which falls within a reasonable range.

Page 155

RECONCILIATION OF BANK ACCOUNTS

Contents

There is a risk that the cash balance could be materially misstated if reconciling items are not cleared on a timely basis or misappropriations could remain undetected.

Significant risk	■
Normal risk	
Significant management estimate or judgement	
Use of experts	
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

In the previous years we identified that there were large and old unreconciled items on the bank general ledger.

Our audit work in 2019/20 identified that there continued to be old, unreconciled items on the bank general ledger, with the oldest item dated back to 2013. However, when compared to the previous years, we can see there was a notable decline of the number and value of large and old items, with unmatched amount of £66,212 in 2019/20 which has decreased from 2018/19 unmatched amount of £736,541.

A complete bank reconciliation is a key internal control in order to confirm the accuracy of the cash balance on the balance sheet and the reconciling items should relate to short-term timing differences. There is therefore a significant risk that the cash balance could be materially misstated if reconciling items are not appropriate timing differences.

Work performed

We carried out the following planned audit procedures:

- We reviewed and evaluated the controls introduced, as a result of our findings in the prior year, to reduce unreconciled differences on the bank reconciliation; and
- We tested unreconciled items on the bank reconciliation to ensure reconciling items were appropriately cleared after the year-end.

Results

We have documented and evaluated the controls in place for bank reconciliations. These were deemed appropriate for the nature of the balance.

We have obtained the bank reconciliation as at 31 March 2021 and reviewed the reconciling items included within it. We noted that there were £462k of unmatched reconciling items at the time of preparation of the bank reconciliation, which we are currently investigation, which could indicate that the bank balance is overstated. This is a notable deterioration in the position since the £66k for 2019/20.

We have selected a sample of reconciling items to trace to post year bank statements to ensure these are genuine reconciling transactions and have appropriately cleared. A number of queries have been raised for resolution with management.

Conclusion

Our testing of reconciliation of bank accounts is in progress.

Page 156

ALLOWANCE FOR NON-COLLECTION OF RECEIVABLES

Contents

There is a risk over the valuation of the impairment allowance for the non-collection of arrears and debt.

Significant risk	■
Normal risk	
Significant management estimate or judgement	■
Use of experts	
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

Estimating potential losses from defaults on amounts due will be subject to a greater degree of estimation than in previous years, historical collection rates may offer only some indication of potential future losses and assigning key economic metrics that may reflect patterns of historic default rates may be imperfect in the current conditions.

The Council recognises an allowance for the non-collection of receivables (arrears and debt), primarily in respect of council tax, NDR, housing benefit overpayments, housing rents and parking charges. The Council assesses each type of receivable separately in determining how much to allow for non-collection. There is a risk over the valuation of this allowance if incorrect assumptions or source data are used, or an inappropriate methodology is applied.

IFRS9's Expected Credit Loss model applies to financial assets but does not include amounts receivable under statute such as council tax and business rates receivables.

Work performed

We reviewed the provision model for significant receivables balances to assess whether it appropriately reflects potential default losses in light of current conditions using historical collection rates, an assessment of potential defaults for customers making use of deferral arrangements and aging of debt, and future losses and assessing the sensitivities to the impairment calculation and assumptions used by management

Results

Management has applied historical default rates (incurred losses) using system data to determine the credit losses on both the statutory debt and on trade receivables that fall within the scope of IFRS9. The Council does not have the data to establish which customers that are taking advantage of any deferred payment arrangements may be in financial difficulties, and historical collection rates may only offer some indication of potential future loss for these customers.

Our review of the assumptions used to calculate the impairment allowance for non-collection of receivables is ongoing. Whilst we noted that most allowances were found to fall within a reasonable range based on the available data for historical collection rates, we have raised a few queries with management for resolution.

Management will also need to consider whether historic collection rates are still the best estimate given the difficult economic climate some of its debtors may be facing as well as carrying out more detailed expected credit loss analyses for sundry debts in order to comply with the requirements of re-measuring financial assets under IFRS9.

Conclusion

Our review of allowance for non-collection of receivables is in progress.

RELATED PARTY TRANSACTIONS

Contents

There is a risk that related party disclosures are not complete or accurate.

Significant risk	
Normal risk	■
Significant management estimate or judgement	
Use of experts	
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

Risk description

Whilst you are responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for management override or concealment or fraud. Our audit approach includes the consideration of related party transactions throughout the audit including making enquiries of management and the Corporate Committee.

There is a risk that related party disclosures are not complete or accurate.

Work performed

We carried out the following planned audit procedures:

- Reviewed management processes and controls in place to identify and disclose related party transactions;
- Reviewed relevant information concerning any such identified transactions;
- Discussed with management and reviewed councillors' and management declarations to ensure that there were no potential related party transactions which were not disclosed; and
- Undertook Companies House searches for potential undisclosed interests.

Results

We have deemed that the processes and controls in place to identify and disclose related party transactions are appropriate for an organisation of this size and nature.

We have agreed related party disclosures per the financial statements to supporting documentation to confirm accuracy and completeness however we are currently resolving a few queries with management.

We have reviewed all declarations and undertaken a Companies House search to confirm that there were no undisclosed related parties or related party transactions which require disclosure. We noted that one senior officer who left during the year had not provided a declaration. However, we note that the Council has made sufficient and active attempts to obtain this.

Conclusion

Based on the work we have completed, we have no matters to bring to your attention.

USE OF RESOURCES

Contents

The Council will need to deliver it savings and achieve income targets to maintain financial sustainability in the medium term and there is a risk that these projections will not be met.

Significant risk	■
Normal risk	
Significant management estimate or judgement	
Use of experts	
Unadjusted error	
Adjusted error	
Additional disclosure required	
Significant control findings to be reported	
Letter of representation point	

New Code of Audit Practice ("Code")

The Comptroller & Auditor General has determined through a new Code and guidance that the key output from local audit work in respect of value for money (VFM) arrangements is a commentary as reported in the Auditor's Annual Report, not a VFM arrangements 'conclusion' or 'opinion'. There may be matters referred to in the auditor's commentary that do not represent significant weaknesses in arrangements and where significant weaknesses are reported we are required to also report recommendations.

As auditors we need to gather sufficient evidence and document our evaluation of arrangements to enable us to draft our commentary under three reporting criteria. These criteria are:

- **Financial sustainability** - How the group plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the group ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** ('Improving 3Es') - How the group uses information about its costs and performance to improve the way it manages and delivers its services.

Risk description

In February 2021, the Council updated its Medium Term Financial Strategy (MTFS) covering the period 2021 to 2026. Since the Local Government Finance Settlement was published on 17 December 2020, the 2021/22 budget now assumes a 1.99% increase to Council Tax and an additional 3% Audit Social Care precept. As a result to proposed balanced budget has reduced the requirement for using reserves of £1.7 million.

As at 31 March 2021, the Council closed with a small underspend of £0.1 million and enabled the Council's general reserve to be maintained as planned at the opening balance of £15.8 million. The total impact of Covid-19 was £39 million, which has been offset by Government support, although there is a forecasted additional £20 million impact on the collection fund in 2021-22.

The outturn position for the Dedicated Schools Grant (DSG) is a £6.8 million overspend, leaving a total deficit of £17.0 million which must be addressed via DSF funds in the future and cannot be met from the Council's general funds.

The Council has identified savings plans over the medium term but there is currently a £15.6 million funding gap, cumulative to 2026 (£2.0 million, £3.2 million, £6.7 million and £3.7 million for 2021/22, 2022/23, 2023/24 and 2024/25 respectively). The savings targets are significant and the achievement of these is inherently challenging.

There is a significant risk that any shortfall in the delivery of savings, non-realisation of assumed government funding and failure to reduce the current funding gaps will have a negative impact on future projected targets in the MTFS.

USE OF RESOURCES

Contents

Risk of Significant Weakness

We are required to report the results of our risk assessment to those charged with governance, including additional work planned in respect of any identified risks of significant weakness, and to keep our risk assessment under continual review, with any changes again communicated to those charged with governance.

The risk identified to date is set out on page 21 above.

Pertinent matters from early discussions with management include how the Council plans finances to support the sustainable delivery of services in accordance with its strategic and statutory priorities (Financial Sustainability), how the Council ensures it delivers its role, engages with stakeholders, monitors performance and acts for improvement within significant partnerships (Improving 3Es) and how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency (Governance). We are however not yet in a position to report any risks of significant weakness.

We have not yet completed our work on the Council's value for money arrangements. The results of this work will be reported in our Auditor's Annual Report. We expect to publish our report no later than three months following the date of our audit opinion. To comply with requirements of the Code of Audit Practice 2020/21 we have reported to you that this work has not been completed.

GOING CONCERN

Contents

We are required to highlight any judgements about events or conditions that may cast significant doubt over the entity's ability to continue as a going concern

Management's assessment of going concern

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis.

Accounts drawn up under the Code therefore assume that a local authority's services will continue to operate for the foreseeable future.

The code further highlights that were an authority is facing financial difficulties such difficulties should be disclosed. Management has prepared the financial statement's statement on a going basis based on its assessment and the requirements of the code.

Discussion and conclusion

Our review of management's assessment is on going however, to date, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue which needs to be disclosed.

OTHER MATTERS

We comment below on other matters we would like to bring to your attention:

Matter	Comment
Privileged User Access to Northgate As part of ITGC review, it was identified that eight employees had privileged user access to the Northgate system without having appropriate segregation of duties in place.	In response to this matter, we have obtained audit data for all eight individuals to identify amendments to the revenue accounts. For 7 of these individuals, between them, a total of 93 amendments were made, all of which the audit team are reviewing in full. However, for the remaining individual, a revenue account manager, over 10,000 amendments have been made. While we appreciate this is in line with the nature of their role, we are unable to undertake audit procedures on all amendments made to gain assurance that none of these amendments are inappropriate as a result of a lack of segregation of duties. We are in discussion with management to understand what mitigating controls are in place to prevent the creation of false accounts on Northgate and how the Council is comfortable that individuals with privileged access aren't creating fake accounts or fraudulently amending accounts.
Parking Debtor The net value of the parking debtor in the 2020/21 financial statements is £1.5m. However, this balance is made up of a gross parking debtor of £30.5m and an expected credit loss of £29.0m. The Civica system which hosted the parking debtor data is no longer in use and the Council did not run an account by account breakdown of this gross debtor balance as at 31 March 2021, so the composition data is not available and we therefore cannot sample test the validity of the component items.	While the net debtor is not material, the gross debtor and expected credit loss amounts are material. The Council has been in contact with Civica to obtain the relevant data. However, this has proved unfruitful. In order to gain assurance over the gross balances, we have agreed an approach whereby the starting position is 31 March 2020 (audited). This balance, plus all parking income raised in the year less parking receipts received during the year, should equate to the year end position. The Council is undertaking an exercise to pull this information together, specifically working on breaking down the in-year receipts to allocate them to the parking income raised to identify which financial year it relates to. This latter analysis is important for our assessment of the expected credit loss balance.

Page 162

MATTERS REQUIRING ADDITIONAL CONSIDERATION

Contents

Fraud

Whilst the Council’s officers have ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit procedures did not identify any fraud. We will seek confirmation from you whether you are aware of any known, suspected or alleged frauds since we last enquired when presenting the Audit Planning Report in November 2021.

Laws and regulations

The most significant considerations for your organisation are the:

- Local Government Acts of 1972 and 2003
- Local Government Finance Acts of 1988, 1992 and 2012
- Local Government and Housing Act 1989
- International accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21
- Local Audit and Accountability Act 2014
- Accounts and Audit Regulations 2015
- VAT legislation
- PAYE legislation.

We did not identify any non-compliance with laws and regulations that could have a material impact on the financial statements.

Related parties

Whilst you are responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for management override or concealment or fraud.

We did not identify and significant matters in connection with related parties.

Group matters

Our review of the group working papers and information provided by subsidiary auditors is in progress.

UNADJUSTED AUDIT DIFFERENCES

	Council				
	Income and expenditure			Balance Sheet	
Unadjusted audit differences	CIES £'000	DR £'000	(CR) £'000	DR £'000	(CR) £'000
Deficit on the provision of services	**48,991**				
Unadjusted 1: Under accrual of Berkeley Square Developments costs					
Dr Expenditure	2,960	2,960			
Cr Accruals					(2,960)
Unadjusted 2 (Factual): Overstated accrual on TFL grant					
Dr Grants received in advance				905	
Cr Accrued income					(905)
Unadjusted 2 (Projected): Overstated accrual on TFL grant					
Dr Grants received in advance				971	
Cr Accrued income					(971)
Unadjusted 3 (Factual) : Understatement of Temporary accommodation income in the TB					
Dr Accrued income				953	
Cr Temporary accommodation income	**(953)**		(953)		
Unadjusted 4 (Projected): Overstatement of debtor balances due to accounting for debtors already paid at year end					
Dr Cash				781	
Cr Debtors					(781)
Unadjusted 5 (Projected): Overstated charges for services and facilities					
Dr Services and Facilities Income	**2,786**	2,786			
Cr Debtors					(2,786)
Total unadjusted audit differences	**4,793**				
Deficit on the provision of services for the year if adjusted	53,784				

REPORTING ON OTHER INFORMATION

Contents

We comment below on other reporting required to be considered in arriving at the final content of our audit report:

Matter	Comment
We are required to report on whether the financial and non-financial information in the Narrative Report within the Statement of Accounts is consistent with the financial statements and the knowledge acquired by us in the course of our audit.	We are satisfied that the other information in the Narrative Report is consistent with the financial statements and our knowledge.
We are required to report by exception if the Annual Governance Statement is inconsistent or misleading with other information we are aware of from our audit of the financial statements, the evidence provided in the Council's review of effectiveness and our knowledge of the Council.	Technical reviews have been undertaken on the Annual Governance Statement. We have no significant matters to report in relation to the consistency of the Annual Governance Statement with the financial statements and our knowledge. However, we are in discussion with management regarding the finalisation of some technical queries.

WHOLE OF GOVERNMENT ACCOUNTS

Contents

The Council is required to prepare a Data Collection Tool (DCT) return for use by the Department for Levelling Up, Housing and Communities (DLUHC) for the consolidation of local government accounts, and by HM Treasury at Whole of Government Accounts level.

Auditors are required to review Whole of Government Accounts (WGA) information prepared by component bodies that are over a prescribed threshold in any of: assets (excluding property, plant and equipment); liabilities (excluding pension liabilities); income or expenditure.

The NAO issued Group Audit Instructions (GAI) and the Assurance Statement in respect of the 2020/21 WGA process in July 2022.

In a change to the process for 2020/21, HM Treasury have elected to raise the threshold for local government to £2bn, aligning it with the central government threshold.

While all entities above the minor bodies threshold will continue to have to complete and submit a WGA return, only those above the threshold as set by HM Treasury will be required to have their return subject to audit.

Page 166

OTHER DEFICIENCIES

Contents

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to the Corporate Committee.

As the purpose of the audit is for us to express an opinion on the Council's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

Area	Observation & implication	Recommendation	Management response
User access reviews	During our review, it was noted that user access reviews has not been performed for Mosaic, CIPFA & OHMS in scope applications and/or evidence thereof retained in order to validate the appropriateness of system level access and user activities. There is a risk that user accounts may not be disabled/removed in a timely manner. This increases the risk that unauthorised access via this open account may occur which may result in incorrect and unapproved changes to key data.	User access reviews are a second line of defence control where the operation of the preventative control surrounding the joiners and leavers process fails. It is therefore recommended that user access reviewed are performed at annually due to the size of the business and number of users and should include: > Both administrator and standard user accounts; and > User group and individual customised levels of access reviews to identify any users who do not possess an appropriate level of access; > Evidence of user access reviews should be retained to demonstrate effective and continuous operation and control.	TBC

Page 167

OTHER DEFICIENCIES

Contents

Area	Observation & implication	Recommendation	Management response
iWorld Privileged Access	It was noted that there was a shared generic Account "RB" user that have been granted highly privileged role "ALL_ACCESS" , and although the logs are enabled on the system, there is no process in place for monitoring the activities of the aforementioned privileged access generic account. The risk of abuse of the shared generic account without accountability and undetected.	Management should ensure that formal review of generic accounts with elevated business access is performed on periodic basis to ensure that they are not abused and accountability.	TBC
Password Settings	BDO identified the following system password-setting weaknesses: • iWorld: Password settings for privileged user "RB" user were all weak except for minimum password policy length. • CIPFA: All password settings were weak and with some not even set e.g. password complexity, history and maximum age. • Civica ICON: Password complexity policy parameter was weak as it did not include alphanumeric with special characters Risk that user passwords can be guessed or become known over time to other users. As a result, user accounts are at an increased risk of being used by persons other than the legitimate account owner. Crystallisation of this risk may have resulted in a material misstatement or fraud because user accounts may have been used to: • process unauthorised, fraudulent or inaccurate transactions, and • bypass controls designed or required to segregate duties.	Management should consider strengthening the existing password settings to be in line with good practice.	The CIPFA asset managers flags up and prevents weak passwords from being set. Thus the set passwords would have met a minimum password strength requirement on this system. However, we note your recommendation and now have additional criteria in the settings.

Page 168

OTHER DEFICIENCIES

Contents

Area	Observation & implication	Recommendation	Management response
System Administrator Access	iWorld TRA noted that there were 9 business users with access to both highly privileged profiles "ALL_ACCESS & SYSTEM_ADMIN" on the system which grants access to System Tab that can be used to create users, Assign User Action Group, Lock Unlock Users, Change User Password, Create roles and other Admin functions. Furthermore it was noted that although logs were enabled on the system, no one was monitoring the activities of the business users with privileged access on the system to determine if they are not abusing those accounts which might result fraudulent activities.	There is an inherent segregation of duties risk when an individual has a role in processing / approving / monitoring transactions and administering access rights on the system. Good practice is to assign the system administrator privileges to an independent individual with no business/transaction processing role. Also, to segregate user access so that no individual can input and approve a transaction on their own throughout a business process. Management should review these accounts and reduce the number of individuals having admin privileges on the application.	To be monitored when users start using the system
System Administrator Activity	There is no independent monitoring of activity performed by system administrator accounts held by members of the IT team, either at an application or database level. There is a risk that unauthorised transaction activity is performed and not detected.	We recommend that management implement audit logging that records activity performed by administrative accounts at application and database level. Administrator activity should be independently monitored, investigated as appropriate and formally signed off by an independent reviewer.	TBC

Page 169

OTHER DEFICIENCIES

Contents

Area	Observation & implication	Recommendation	Management response
Debug Access	BDO noted that there were 35 interactive accounts with Debug access on SAP system. Debug access is the highest level of privileges that can be granted on the SAP application and allows a user the ability to perform any task on the application, regardless of whether or not they have the specific roles assigned. No interactive accounts should have this access assigned permanently and when required should only be granted on a time limited basis when entirely necessary. Furthermore although SM20 logs are on there is no monitoring process for the activities performed by users with administrative accounts. Debug access is the highest level of privileges that can be granted on the SAP application and allows a user the ability to perform any task on the application, regardless of whether or not they have the specific roles assigned. No interactive accounts should have this access assigned permanently and when required should only be granted on a time limited basis when entirely necessary. Any activities done by a user via Debug could be undetectable if the relevant audit logging has not been manually switched on by management and monitored. Therefore, material changes could be made to the application data which may go undetected by management, leading to an inaccurate view of the financial position being shown.	In order to address the risks identified within the privileged access observations noted, we encouraged management to apply the following: 1. Debug access should not be assigned to any accounts on a permanent basis. This access should only be used in an emergency when other transactions codes are not able to fix the issues on the system. This access should only be given on a short time limited basis following a formal approval process and all activities performed should be formally reviewed afterwards. 2. To ensure that the Debug activities are logged by the SAP application, we recommend that the following activities are performed to turn on the specific audit logging which will record all debug activities performed: - Navigate to SM19 and review the filters on the bottom half of the screen. Review to see which filters have 'Filters Active' box checked and at least one of these should have the value '*' in the user field. - For this filter, click the 'detailed display' option. Each of the following fields should be checked: . CUM - Jump to ABAP Debugger:&A . CUN - A manually caught process was stopped from within the Debugger(&A) .CUO - Explicit database commit or rollback from debugger	To mitigate the risk of any changes without a transport and directly in PRD, LBH SAP team will remove this profile and the have a process in place whereby SR consultant will have to request access by filling in a form.

Page 170

OTHER DEFICIENCIES

Contents

Area	Observation & implication	Recommendation	Management response
Change Process Management	TRA noted that there was user "HCLADMIN" with access to Developers Key in live environment which allows direct changes in the live environment, that might change the functionality and configurations of the system which might result in the unauthorised changes that might lead to unauthorised modified financial data. Furthermore it was noted that there was a user who could develop and transport changes in the live environment. There is a potential risk that a developer/user will have an end to end access to the production environment and the user may deploy unauthorised changes in the live environment. This may impact the integrity of financial information or might lead to system downtime.	Management should ensure that there is proper segregation of access to the different environments.	TBC

INDEPENDENCE

Under ISAs (UK) and the FRC's Ethical Standard we are required, as auditors, to confirm our independence.

Under ISAs (UK) and the FRC's Ethical Standard, we are required as auditors to confirm our independence.

We have embedded the requirements of the Standards in our methodologies, tools and internal training programmes. Our internal procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the integrity, objectivity or independence of the firm, the members of the engagement team or others who are in a position to influence the outcome of the engagement. This document considers such matters in the context of our audit for the year ended 31 March 2021.

Details of rotation arrangements for key members of the audit team and others involved in the engagement were provided in our Audit Planning Report.

We have not identified any other relationships or threats that may reasonably be thought to bear on our objectivity and independence.

We confirm that the firm, the engagement team and other partners, directors, senior managers and managers conducting the audit comply with relevant ethical requirements including the FRC's Ethical Standard or the IESBA Code of Ethics as appropriate and are independent of the Council and the Group.

We also confirm that we have obtained confirmation of independence from non BDO auditors and external audit experts involved in the audit comply with relevant ethical requirements including the FRC's Ethical Standard and are independent of the Council and the Group.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

APPENDICES CONTENTS

OUR RESPONSIBILITIES

Responsibilities and reporting

Our responsibilities and reporting

We are responsible for performing our audit under International Standards on Auditing (UK) to form and express an opinion on your consolidated and single-entity financial statements. We report our opinion on the financial statements to officers of the Council.

We read and consider the ‘other information’ contained in the Statement of Accounts such as the Narrative Report . We will consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.

We report by exception any significant weaknesses identified by our work on the Council’s value for money arrangements and a summary of associated recommendations made.

We review the Whole of Government Accounts Data Collection Tool provided to HM Treasury and express an opinion on whether it is consistent with the audited financial statements.

What we don’t report

Our audit is not designed to identify all matters that may be relevant to the Corporate Committee and cannot be expected to identify all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

ADDITIONAL MATTERS WE ARE REQUIRED TO REPORT

Contents

	Issue	Comments
1	Significant difficulties encountered during the audit.	Ongoing issues within the audit sector has meant the audit has been challenging to deliver. We have provided further details on page 43.
3	Any fraud or suspected fraud issues.	Based on the work we have completed to date, we have no matters to bring to your attention.
4	Any suspected non-compliance with laws or regulations.	Based on the work we have completed to date, we have no matters to bring to your attention.
5	Significant matters in connection with related parties.	Based on the work we have completed to date, we have no matters to bring to your attention.
6	Limitations on the audit where information was restricted.	No exceptions to note.
7	Any issues with the quality of component auditors work.	Based on the work we have completed to date, we have no matters to bring to your attention.
8	Any fraud or suspected fraud at group or component level.	Based on the work we have completed to date, we have no matters to bring to your attention.

COMMUNICATION WITH YOU

Audit Sector developments

The sector has seen a number of pressures arising since the faster close agenda brought the reporting deadline forward for the 31 March 2019 period to 31 July 2019. Only 60% of local government bodies were able to publish audited accounts by this deadline. By exception, there remain a number of 2018/19 audits outstanding to date.

The 31 March 2020 publication deadline, initially pushed back to end September 2020 from July 2020, was then further extended to 30 November 2020. However, only 45% of local government bodies were able to publish audited accounts by this extended deadline, with even traditionally better performing authorities close to or at the deadline date.

Recruitment and retention of staff with suitable public sector experience has become increasingly challenging on a national level. Added to this the increased scope of audit work, increased complexity in public sector accounts and extensive regulatory requirements have continued to add to this pressure sector wide. It has been widely recognised that the audit sector, and public sector audit specifically, requires reform to enable it to remain sustainable. The Redmond review specifically focuses on recommendations to help achieve this in the longer term.

Alongside these already present pressures, a global pandemic manifested additional impacts and pressure. New challenges of remote working, onboarding and training new staff remotely, communication, IT support and illness within the team directly impacting efficiency and delivery.

The 31 March 2021 publication deadline was set at end September 2021. Audit firms and audit regulation bodies did feedback that this was not realistically achievable. Only 9% of 2021 audits were completed by 30 September 2021, with 20% by 30 November 2021 and 40% by 31 December 2021.

Audit progress

The 2021 audit has been challenging to deliver, with issues outlined above, in addition to the longer-term impacts of Covid-19 and remote working. There are several significant accounting estimates requiring management judgement, all of which require more detailed consideration in light of revised auditing standards and regulator focus, resulting in the need for more resource and specialist resource.

We will continue to work with officers towards the completion of this audit and we will update officers on progress on a regular basis.

COMMUNICATION WITH YOU

Those Charged with Governance (TCWG)

References in this report to Those Charged With Governance (TCWG) are to the Council as a whole. For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Corporate Committee.

In communicating with TCWG of the Council and the Group, we consider TCWG of subsidiary entities to be informed about matters relevant to their subsidiary. Please let us know if this is not appropriate.

Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two-way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered.

We have met with management throughout the audit process. We have issued regular updates driving the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Communication	Date (to be) communicated	To whom
Audit Planning Report	November 2021	Corporate Committee
Audit Progress Report	February 2023	Corporate Committee
Audit Completion Report	(TBC)	Corporate Committee
Auditor’s Annual Report	(TBC)	Corporate Committee

AUDIT QUALITY

Contents

BDO is totally committed to audit quality

It is a standing item on the agenda of BDO's Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream's objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections.

BDO welcomes feedback from external bodies and is committed to implementing a necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council's Audit Quality Review team), QAD (the ICAEW Quality Assurance Department) and the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US companies), the firm undertakes a thorough annual internal Audit Quality Assurance Review and as member firm of the BDO International network we are also subject to a quality review visit every three years.

We have also implemented additional quality control review processes for all listed and public interest audits.

More details can be found in our Transparency Report at www.bdo.co.uk

FOR MORE INFORMATION:

David Eagles, Partner

m: 07967 203431
e: David.Eagles@bdo.co.uk

This page is intentionally left blank

Agenda Item 10

Report for: Corporate Committee 2nd of February 2023

Title: Appointment of Deputy Electoral Registration Officers

Report authorised by : Andy Donald – Chief Executive and Proper Officer

Lead Officer: Ayshe Simsek – Democratic Services and Scrutiny Manager

Ward(s) affected: N/A

Report for Key/ Non Key Decision: Non key decision

1. Describe the issue under consideration

1.1 Following a review undertaken by the Electoral Registration Officer and Head of Electoral Services, it is apparent a number of Deputy Electoral Registration Officers need to be appointed. This will ensure there is capacity to undertake the full statutory duties of the Electoral Registration Officer.

1.2 Corporate Committee are asked to approve these appointments in line with their responsibility for elections.

2. Cabinet Member Introduction

N/A

3. Recommendations

3.1 To approve the following postholders as Deputy Electoral Registration Officers

- Head of Electoral Services (Gareth Harrington)
- Deputy Head of Electoral Services (vacant post)
- Monitoring Officer / Head of Legal and Governance (Fiona Alderman)
- Chief People Officer (Dan Paul)

4. Reasons for decision

4.1 The Council has a legal duty to appoint Deputy Electoral Registration Officers to ensure that the Council meets its democratic obligations for the delivery and management of elections and to ensure it meets its responsibilities for the discharge of registration duties under the Representation of the People Act 1983.

4.2 The Corporate Committee has Council responsibility for all functions relating to Elections, except for pilot schemes for local elections which is reserved for full Council.

4.3 The appointment of four Deputy Electoral Registration Officers provides a wider pool of resource and expertise to cover the required duties of this role as set out in paragraph 6.1.

Alternative options considered

5.1 No alternative options were considered as there is a duty to appoint to these positions under the Representation of the People Act 1983.

6. Background information

6.1 The Electoral Registration Officers (ERO) is responsible for compiling and maintaining the register of electors, undertaking an annual canvass of electors and ensuring electoral registration meets legislative requirements and Electoral Commission performance standards.

- Ensuring electoral registers are complete and accurate
- Raising awareness of voter registration
- Convening and conducting hearings, required by statute, where there is an objection to any act of including, or refusing to include, somebody within the register of electors
- To provide any voter with an emergency Voter Authority Certificate

7. Contribution to strategic outcomes

7.1 Ensuring fair representation of residents and facilitating participation in democracy under the Representation of the People Act 1983.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 **Finance**
There are no finance implications as these appointments are legally required and relate to existing officer postholders who have these duties as part of their job descriptions.

8.2 **Head of Legal and Governance**

Corporate Committee is the Council's non-executive body and has duties for elections and has responsibility for these particular decisions as set out Schedule 1 of the 2000 Act namely:

- Duty to appoint an electoral registration officer at Section 8(2) of the Representation of the People Act 1983 (c. 2)(36).

- Power to assign officers in relation to requisitions of the registration officer at Section 52(4) of the Representation of the People Act 1983.

8.3 **Equality**

There are no equalities implications arising from this report. Amongst the duties undertaken by the Electoral Registration Officers, are ensuring that equalities issues are addressed in the running of electoral registration and elections.

9. Use of Appendices

None

10. Local Government (Access to Information) Act 1985

None

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank