

NOTICE OF MEETING

AUDIT COMMITTEE

Tuesday, 22nd July, 2025, 7.00 pm - George Meehan House, 294 High Road, London, N22 8JZ (watch the live meeting [here](#) and watch the recording [here](#))

Members: Councillors Erdal Dogan (Chair), Cathy Brennan (Vice-Chair), Mary Mason, Alessandra Rossetti, Isidoros Diakides, Sue Jameson and Alexandra Worrell

Independent Members: Reyaaz Jacobs (Co-Optee) and Reene Deba (Co-Optee)

Quorum: 3

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 7 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 - 22)

To confirm and sign the minutes of the Audit Committee meeting held 11 March 2025 as a correct record.

To review the action tracker.

7. EXTERNAL AUDIT PLAN 2024/25 (PAGES 23 - 52)

This report updates the Committee on the Council's plan for the audit of the Statement of Accounts for 2024/25, which includes the Collection Fund, Housing Revenue Account and Haringey Pensions Fund.

8. DRAFT STATEMENT OF ACCOUNTS (PAGES 53 - 242)

This report updates the Committee on the Council's Draft Statement of Accounts 2024/25.

9. ANNUAL GOVERNANCE STATEMENT (PAGES 243 - 314)

To inform the Audit Committee of the statutory requirements to produce an Annual Governance Statement for 2024/25 (AGS) and to provide a draft statement relating to the 2024/25 financial year for review and approval.

10. ANNUAL HEAD OF AUDIT REPORT (PAGES 315 - 406)

To inform Members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2024/25 and

present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies.

This report also fulfils the relevant statutory requirements of the 2017 UK Public Sector Internal audit Standards (PSIAS); the 2017 Local Government Transparency Code; and the Audit Committee's terms of reference.

11. UPDATED CORPORATE RISK REGISTER (PAGES 407 - 418)

The Audit Committee is responsible for providing assurance about the adequacy of the Council's Risk Management Framework and Policy and monitoring the effectiveness of systems for the management of risk across the Council and compliance with them as part of its Terms of Reference.

Under its terms of reference, the Committee is also required to note the Council's Corporate Risk Register and be satisfied appropriate mitigating actions are being completed in a timely manner.

12. ANTI - FRAUD AND CORRUPTION PROGRESS REPORT QUARTER FOUR 2024/25 (PAGES 419 - 428)

This report details the work undertaken by the in-house resources in the Audit and Risk team and communicates a fourth quarterly update on completion of the work plan for 2024/25. This performance data and the other three reports from 2024/25 are summarised and included in the overall Annual Audit Report which includes the Head of Internal Audit Opinion.

13. TREASURY MANAGEMENT REPORT (PAGES 429 - 444)

This report provides an update to the Audit Committee on the Council's treasury management activities and performance quarters ending 31st March 2024, in accordance with the CIPFA Code.

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Monday, 14 July 2025

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MINUTES OF THE AUDIT COMMITTEE HELD ON TUESDAY, 11 MARCH 2025, 7:00PM – 10:02PM

PRESENT: Councillors Erdal Dogan (Chair), Isodoris Diakides, Mary Mason, Ahmed Mahbub, Cathy Brennan, Alessandra Rosetti, Adam Small

ALSO ATTENDING: Reyaaz Jacobs (Independent Member), Reene Deba (Independent Member)

1. FILMING AT MEETINGS

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

2. APOLOGIES FOR ABSENCE

No apologies had been received.

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 none.

6. MINUTES

RESOLVED: That the minutes of the meeting held on 27 January 2025 be agreed and signed as a correct record.

In relation to the Action Tracker, the reasons why actions on it appeared for long periods was to ensure that no action was closed prematurely. The Committee would receive updates for actions until the action was complete. The Action Tracker would be updated at the next Committee to reflect progress. However, the actions would not be taken off the Tracker until the Committee was satisfied that the action was completed.

7. COMMERCIAL PROPERTY AUDIT - UPDATE

Mr Jonathan Kirby, Director of Capital Projects & Property, introduced the report.

The meeting heard:

- In terms of focusing some of the resource in order to deliver the priority recommendations, the team had looked to do this efficiently. Part of it was also about the usefulness of the data. As much resource as possible could be put into this, but if the data was not present, it was about being able to compile it or create it. One of the recommendations in the report was about management systems and digitalisation systems which would provide greater ability to clear some of the priority 1 recommendations.
- A project plan to capture the data had been put in place and was subject to wider governance as the Council reviewed its financial position. The process cost money and because of the data issues, it would not be possible to express what the overall cost saving would be. This had been presented to Corporate Leadership Team and an outcome was awaited.
- Digitalisation of lease reading through AI was one such potential progress.
- The future of the property review was about the form and how the Council would look to do the delivery. One of the issues faced in the past in terms of reviews was systems being able to communicate to each other. There was a huge dependency with the financial reporting systems as much as on the asset part. These needed to be aligned. Some reliance may be needed on use of spreadsheets in the meantime. A lot of it also was about timing. If budget efficiency was needed in delivering the project property review, priority would have to be given to certain properties. This would take longer than the wider five-year program. A risk-based review would be taken for the highest risk sites which needed attention. This would have a red, amber, green (RAG) rating system.
- As part of the team's response to the Council's financial constraints, it was in the process of reviewing all properties and whether or not they provided wider value to Haringey or if the Council should look to change and have a much more efficient portfolio. This would though, take longer.
- In relation to adapting the culture, the Council had brought all of the property figureheads together such as Facilities Management, Property and Asset Management. Attempts were being made to promote cross-working. There was still a long way to go, but some progress had been made on showing the benefits of collaboration and minor behavioural changes. There had been a marked improvement in this. The first recommendation that came through from the external property review was about creating a corporate property model - a corporate landlord approach through the Property Compliance Boards. Internal Audit attended these meetings due to the revised government structure so there was more 'holding to account' that took place.
- The priority ratings were from the audit via Mazars. They had provided the 1, 2, 3 rating. Health and Safety was important as was the financial situation. In commercial property, there were currently 17 vacant properties, however, they were all part of the property life cycle. There were two under agreement for lease, others on the market

and some that were being intentionally held vacant pending renovation of the particular properties. There was a technical difference between void and vacant properties. There were a very limited number of void properties, three were being held 'intentionally void' pending renovation. The remainder were all part of the wider letting cycle. Therefore, they were either on the market, about to go on the market or under offer.

- The debt in the audit report was a snapshot in time of June 2023. The debt had not been neglected. This was high at the top of the wider property agenda as this was seen as important. The Committee would be informed of the arrears.
- There were not leases that the Council did not know about, but as of March of last year, the Council had only manually reviewed 480 of the circa 1,200 leases. The Council was just under 50% of the way through this. Some of the lease review that had been completed were relatively easy to complete. The more complex leasing was taking a longer time. As issues had been found within the leases, the Council sought to rectify them or put management in place. This process had slowed down naturally as the Council looked to tackle the problems as found rather than just to document them.
- The Strategic Asset Management and Property Improvement Plan (SAMPIP) would be re-submitted to Cabinet in April 2025.
- A query was raised that the Council had reported a 100% fire compliance without actually having it. Also, given the Council's financial constraints, the Council had resolved to complete all property review within 24 months. In response, the meeting heard that the reviews had started, but given the current position, some of the proposals may have to come under review. In future reports, if it was possible to find a way of delivering this within five years, that would be what was done. In relation to the priority points, if the level of resource meant that the Council had to focus on the priority 1s more than the others, then this would have to be done.
- It was not being stated that an extra 24 months would be needed to complete the review. A risk was being highlighted that it was not yet an issue, but given the financial situation, a review would be needed on what any mitigations would be. There were three years remaining to complete the review to get to the 100% mark on the items. This did not mean that nothing had started until the end point. There would be a constant improvement throughout.
- The service originally had very little data which still conflicted with multiple sources. The property review would help a return to 'ground zero' and build the data baseline 'up from scratch'. However, a service needed to be run at the same time and there were a number of residents and business owners that relied on the Council being able to run a functional Property Service. Whilst the service was trying to prioritise tackling those most in need through the process, the length of time it took for the service to respond, make the right recommendations and make progress took longer due to the baseline data. From the commencement of the reset of the baseline data, it would take 24 months to get to that data baseline. This did not stop work in the meantime. At the end of the 24 months, progress would have to have been made. It was well recognised that the data was correct so, that the right recommendations could be made and promises could be delivered. Without it, it would still be possible to continue the work. It would just take longer.
- The reason some of the issues had happened over numerous years was because the Council worked in a silo approach to property – it was the Council's property - and that

was how the Council had to work in looking at it. Where there had been service areas looking after property where the corporate property model was not present, an alternative may be better, may be worse or may mean that recordings were made in different ways, but trying to match all the different bits together was a big part of what the aims were.

- It was important to have comparators. A snapshot of the figures was useful, but if the targets were not clear, it became very difficult for a committee to determine the efficiency and efficacy of the progression. It was important to make sure that the reports were complete with tangible data points.
- The SAMPIP was submitted to Cabinet in June 2023.
- A lot of the mistakes of the past, across all councils, had been to go out and buy a system because it looked useful, without first seeking clarity on how the Council wanted to deliver. One of the things highlighted in the plan was that if it was owned as a corporate system, it had to have links through to other Council systems, such as the financial system. A typical troubleshooting issue tended to be that baseline data was not clean and the Council was ensuring that it was cleansing data. Nothing would transfer to a new system until this had occurred. Another typical issue was that the cheapest solution would be brought. Value for money was usually about the best product. The Council was working on the scope and specification of any digital solution to ensure that it was the right solution and responded to every single need that Haringey had. A benefit of getting an off-the-shelf system rather than requiring a bespoke system was that it could keep up to date with the wider market and could adapt any legislative changes. Long sessions had been held with digital based colleagues about building against going to the market and it was determined that the Council would go to the market. It was important to forecast the absolute basic principles that was needed from a property management system so that any bespoke requirements could be delivered separately rather than trying to manipulate a property management system that was not supposed to deliver a specific thing. The key principles of clean data, value for money and making sure it was a wider corporate system so there were multiple points of accountability.
- The team was getting closer to establishing a single source of truth regarding the data. Data on lease management was progressing well as checks were being made on the title, the lease and all associated documents to make sure that when speaking to tenants, the right data was present. Part of the problem was that there was no place to put clean data. Attempts were being made to store it in an accessible manner. Without the implementation of a property management system where all the data was clean, it could get mixed with the unreliable data.
- The residual risk for the service (listed as 12) could be higher. The risk had been listed higher before. The first audit that was assigned was given a nil assurance, so the residual risk was, at that point, very high. It had come down to a 12, but it was worth reflecting back to see if it was still appropriate.
- Having the Committee see the progress via the statistics as opposed to saying that a lot of work had been done, helped the Committee get a better-informed decision of what the up-movement or down-movement of the residual risk was.
- Even as a as a corporate landlord, the Council would be reviewing every property in any case. What had been set out in the SAMPIP was the way in which each property was assessed could be done for the benefit of residents and what was set out in the

corporate plan. For example, the community needs and services. If any property cannot be used for any other purpose or repurposed, then it would make sense to put it up for disposal and reinvest the money in other properties.

- The staff involved in the work had come from a very difficult position and that was why SAMPIP was put through in the first instance - to have a framework where the Council could change things. There had been progress and with the scrutiny of the Audit Committee along with the scrutiny of the of the Cabinet Lead, further progress would be made.
- The commercial portfolio involved the voluntary and community sectors. The team would consider market values, the Council could look at best consideration through social value.

The Chair stated that since some of the recommendations had not been implemented due to the data, then this issue needed to be resolved with focus.

RESOLVED: To note the Commercial Property audit coverage and follow up work completed.

8. TREASURY MANAGEMENT UPDATE

Mr Sam Masters, Head of Finance (Pensions and Treasury), introduced the report.

The meeting heard:

- When the Council set its budget each year, it was set for what the Council expected to borrow in the year. The Council did not actually borrow funds until it needed to (it would only borrow once other forms of financing had been utilised). The Council had spoken about its high levels of borrowing and how it needed to be reduced or needed to limit any increases in future years. In 2025/26, although the Council may set a budget, the Council should be trying to limit spending, given the high levels of debt. One way to do this was to continue to review the capital program through 2025/26. The Council had quite a significant capital program both for the general fund and also for the HRA. Another way was to consider the Exceptional Financial Support (EFS). The budget for 2025/26 was set based on the sum of £37million EFS - £10 million of which was funded from capital receipts and £27 million from borrowing. The £37 million was the maximum sum anticipated to be needed. The emergency response arrangements put in place was an attempt to find savings where possible so this could reduce how much of the £37 million the Council utilised and therefore, reduce the amount needed to be borrowed.
- The Council had a cash flow model forecast for the whole year which would give the it an indication about when it needed to borrow. The Council always had a cash flow model in place. Over the last couple of weeks, the Council had tried to tighten it to get a clearer picture around when the Council needed to borrow. It was important to understand how the Council's spending profile was for the capital program. It was not a case of simply trying to keep the capital program to a reasonable size.
- It was possible to take the strategy to not borrow until towards the end of the year so that borrowing was done at the latest possible time. However, this could result in the

Council getting caught out and into a situation where the Council would pay a couple of percent more than it would need to. This could result in quite a significant debt.

- One way to fund Exceptional Financial Support was via capital receipts, as opposed to borrowing. However, the Council should refrain from disposing of valuable community assets just to fund EFS as directed by Central Government. This was expressly stated in the letter sent by Central Government which the Council published as part of the budget report. The assumption the Council had made was that the £10 million would be from capital receipts with the balance being from borrowing. At least £8 million of the capital receipts had already been received. With regard to the capital receipts, the cost to the Council was effectively the lost opportunity costs as the receipts could have been used to fund other capital development. It should be noted that with borrowing to fund EFS, the Council was required to charge the Minimum Revenue Provision (MRP) as it would do with normal capital prudential borrowing. Not only does the Council have to budget for the borrowing cost at, say, 5%, the Council also had to budget for the MRP charge. The MRP charge was made so that the Council repaid borrowing over the deemed life of the asset, which, for EFS, was considered to be 20 years. The true cost to the revenue budget was probably closer to about 8%. This was the combination of MRP and finance costs. The Council should try to reduce as much as possible the amount of the £37 million it utilised. However, any spend through use of capital receipts was slightly better than borrowing.
- In terms of capitalisation, the Council did capitalise various revenue costs such as staffing for those involved in the assets or the capital schemes. The Council had to abide by counting rules in terms of what the Council could and could not capitalise. This needed to be kept under review. The budget had removed a number of significant schemes out of the capital program when it was agreed. The Council needed to just assure itself from an accounting perspective that it was capitalising the right amount of cost.
- The borrowing moved in line with what with the Council's capital financing requirement. Part of the capital financing requirement was internal borrowing. The Council would look to use this first before having to go out to the market. The two largest elements of the calculation would be internal borrowing, which was using reserves or capital receipt, a HRA scheme or other such avenues. These would be maximised for use before going out to the market.
- The Civic Centre was one of many schemes within the capital program. There was a business case that had been in existence for a number of years and was presented to Cabinet in recent months. There was an assumption in the capital program around the budget for the Civic Centre and that was part of the Council's borrowing requirement. The business case suggested that it was a self-financing scheme. The business case had a series of assumptions around the future of the Station Road sites that the Council would vacate when it moved to the Civic Centre. There would also be savings on the revenue cost and utility bills of the current sites. Although there was borrowing required, the revenue generation from the move covered the costs of the borrowing. This needed to be kept under review all the way through. This was also true of any of self- financing schemes.

RESOLVED:

1. To note the treasury management activity undertaken during the financial year to 31 December 2024 and the performance achieved attached as Appendix 1 to the report.
2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

9. ANNUAL GOVERNANCE STATEMENT 2023/24 MID YEAR UPDATE

Ms Vanessa Bateman, Deputy Head of Audit and Risk Management, introduced the report.

The meeting heard:

- There was an improvement plan, but the plan for data was captured within the themes to which it related. There was an improvement plan for housing which included the data element, as did property and procurement.
- On the Annual Governance Statement (AGS), there was a broader issue around information governance. Some of the differences in the update included a significant change to all matters relating to finance within the document. There had been a significant governance issue around finance. There was a small amount of change regarding new external auditors. Everywhere within the document where it talked about KPMG or CIPVA, this was all added content. In relation to the significant governance issues, the one relating to finance had been refreshed significantly. Each of the other five had involved work with senior leaders regarding where they were with their action plans. This was done as part of the AGS process in any case. The responsibility for facilitating the document was rotated.
- The Council recently had a cyber related internal audit and it was the most positive assurance that had been received. The organisation had a firm grasp of the continuity arrangements and how it needed to respond to emergencies. The Committee had heard in the past of a limited assurance on business continuity plans, but this was about two years ago. It was now likely that the Council would be able to respond to any emergency. One challenge the Council had was that it had a vacancy for about two years for a Continuity Manager. The Council did now have a new manager, although a different manager had taken maternity leave.
- Payment of the London Living Wage was part of the contracts in practice. The section which referred to it may need to be revised.
- The only time that the Committee could not be informed in detail about instances relating to fraud was if an alleged fraud was going through the judiciary system, in which case, no comment would be made.

RESOLVED:

To note the amended 2023/24 AGS, attached at Appendix A of the report.

10. ANNUAL INTERNAL AUDIT PLAN, STRATEGY AND CHARTER 2025/26

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report

The meeting heard:

- There was no overarching five-year report in terms of the audit plan. The audit plan was a one-year plan for next year. This was because it was hard to foresee the level of risks in future years for the program and the type of work needed to be done. However, due to the Council's past circumstances, a long list of all the audits carried out – at least since 2016 - acted as a prompt to make sure that nothing was missed.
- Having a five-year plan might be useful. However, some boroughs did not have a plan for the year and instead had a plan for three months only with indications of what they might look at and only deciding what they would do after they've looked at their risk register at the end of the three months. The trend for internal audit to maintain focus on the key areas of risk was pointing in the opposite direction. This meant not having a long plan and focus on risks as they arose and give assurances on risks as they arose.
- The audit on case management within Children's Services was essentially the audit of the Liquid Logic case management system within Children's Services to make sure that it was being utilised in terms of capturing the totality of case load.
- Auditors needed some boundaries around the audit so that it could scope the work. Audits did go beyond those boundaries and did have implications elsewhere. Attempts would be made so that when the Committee received a report, the scope of the audit along with implications in other services that was relevant.
- Typically, when the auditors had completed their work, they would usually raise recommendations based on two aspects; either that the design of the process was not good enough or that a design was present, but was not being followed. In addition to this, a cultural consideration should be taken into account which could help look at root causes.
- It was difficult to be sympathetic to the proposal of continuously waiting for a new system. The Council had to operate its services and functions and ideally a system could do everything that was required. However, if this was not forthcoming, then a resolution of some kind would need to be sought. Systems and functions needed to operate.
- It would be useful to seek a short-term solution until a long-term solution could be found.

RESOLVED:

To approve the updated Annual Internal Audit Strategy and Plan for 2025/26 (as at Appendix A of the report), the Internal Audit Charter (as at Appendix B of the report) and note the Internal Audit Protocol (as at Appendix C of the report) and the Assurance Risk Map (as at Appendix D of the report).

11. INTERNAL AUDIT PROGRESS REPORT 2024/25 - QUARTER 3

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report.

The meeting heard:

- The service was responsible for making sure that they produced regular information and a request for updating a list of housing boards could be passed onto the service. Internal

audit would not have that information on an ongoing basis but the service could be asked to create this and this could be reported back to the Committee.

- The contract that the Council had for the delivery of audit was with a company called Mazars. The contract ran until the end of the next financial year and was through the Croydon framework. Croydon Council went out a few years ago to allow all London boroughs potentially to buy off their framework for the delivery of audit. Haringey had accessed it to employ Mazars.
- In relation to management of contract spend, a nil assurance tended to indicate a completely broken system, whereas a limited assurance indicated a system which was not working as well as it should do. In this specific area, the arrangements that should be in place was if there was any off-contract spend, that this was identified it and fix it so that it was minimised. There was a specific team that looked out for contract spends and reported back. The actions that should follow were not happening. Having identified the anomalies, actions needed to be taken. In relation to culture of compliance, it was often the case that people were found to not be following the rules. This was followed up to understand what it was that drove people to do what they did. Upon investigation, staff appeared to be trying to follow the rules, but the length of time it took for them to complete a task took too long and looked for a quicker way of doing something. A better process needed to be established.
- In all of the internal audit reports, there had been quite a few of limited assurance where compliance was an issue. The data on compliance was being monitored and reported to services. For the last four or five months, this data was being reported to the corporate leadership team as part of the monthly reporting. This was not just on off-contract spend, it was also around Purchase Card compliance. For about four weeks, all new contracts now had to be signed off by an assistant director. The Council was about to put in place a regulation that no purchase orders would be approved without setting up a small spending panel. This had not necessarily been part of an outcome of the internal audit review. The new Procurement Board that had been established was about having a tight grip over buying and purchasing behaviour.
- The manner in which the Council arranged its processes for billing clients led to the adult social care debt. One of the one of the key issues is that the Council did not have a variable direct debit so the Council had a fixed amount that it billed each client, each month, irrespective of the service they received. This was then retrospectively calculated what the charge should be and bill the client afterwards. The clients themselves were never quite sure how much their debt actually was. It was possible to invite the appropriate service to give an update at a future meeting on general management of financial assessments as a whole, because the auditors raised a number of different areas of concern impacting many aspects of how financial assessments were carried out. It was worth considering if a person did not engage in providing the information for financial assessments, if the Council should maintain the policy to continue providing the service or if there should there be an alternative. An update would be provided at the next meeting.
- The issue of voids had been raised in the past. The Committee wished to have an audit of voids carried out. The number of issues that were not working as well as they should be. No update at present time could be provided. However, the Director could be asked to provide an update to the Committee.
- It was difficult to say if the whole organisation of the Council really appreciated where it was financially. The Council had been open, honest and transparent about the issues

that it faced. The financial challenges had been discussed since last September or October 2024. The Council talked about the challenges. It was not clear if everybody making a spending decision or an income collection decision had finance at the forefront of their minds. The Council had developed a financial recovery plan. Everybody at the Council had to play a role.

- The demonstration of limited assurances was to target internal audit at the right places where there were suspected concerns and risks. A report with an entirely adequate or substantial feedback would be concerning in its own way.
- The role of the Corporate Director of Finance Resources was to make sure that the organisation was following up on the recommendations that came out of the internal audit review. Internal audit colleagues would do follow-ups, but lead officers needed to make sure that they were addressing recommendations.

The meeting felt that the limited assurance on Broadwater Farm and the general update was extremely worrying because of the amount of money involved and the number of flats that frozen compared to how many people on the waiting list accommodations. It was noted that a formal business case was not in place for the program and that the project initiation document had not been updated since March 2019. This had been a subject of previous audits and had to go further than simply being noted.

The project had been initiated approximately eight years ago. The estimate at the time was £30 million. This was an underestimated sum. Not providing a regular update was something that needed to be urgently considered. The reports also stated that recommendations were due for implementation by March 2025.

An update could be given on these issues at a future meeting.

RESOLVED: To note the audit coverage and follow up work completed.

At this point in the proceedings, the Chair decided to suspend standing order 18 so that the meeting could be concluded.

12. ANTI - FRAUD AND CORRUPTION PROGRESS REPORT QUARTER 3 2024/25

Ms Vanessa Bateman, Deputy Head of Audit & Risk Management, introduced the report.

The meeting heard:

- In relation to the death list information, there was a section on the Council's website that residents could use to inform the Council of a death to withdraw services that were no longer required. Other death lists came from other services like the Registrar which was shared across the Council. Within the National Fraud Initiative, there was a lot of matching data to death records. Deaths occurring abroad was more challenging to document. The team had mechanisms to support Housing if there were suspicions, but these would be made apparent through a tenancy not being used or abandoned or through identifying unauthorised occupants and then investigating the issue. Council tax had different information from different places and this had not looped through to housing. There had been cases where Housing knew about a death, but direct payments did not. This had a vulnerability to fraud.

- A query was raised regarding where an employee of a care provider contracted by the Council was being asked to pay money to the care provider. In response, the meeting heard that in certain circumstances the Council would investigate something like this, but it was more likely for other agencies to get involved and some joint work may be done.
- The Commissioning team did quality audits on the Council's providers, some of which involved examining employee files and HR files. This was how some assurances were sought around what staff were being paid. The Council had a duty to ensure that staff had the right to work and proper DBS checks. However, the team that did this was a small team.
- Internal Audit had done a project to look at cases in council tax which had a probate rating. This meant that checking that the team that worked in council tax knew that the person had died and then looked at whether Housing were aware and had acted on it.

RESOLVED:

To note the activities of the team during quarter three of 2024/25.

13. UPDATED CORPORATE RISK REGISTER

Mr Minesh Jani, Head of Audit & Risk Management, introduced the report.

The meeting heard:

- When the Risk Register was presented to the Committee previously, the implementation date for the future actions was shown as the 31 March 2025. Now that the risk had been refreshed, management had reassessed the timeline and it now displayed the implementation date to be 31 December 2026. In October 2024, the service had indicated that they would complete the actions by 2025, but this had been now reassessed and it indicated they would complete them by 2026.
- Although the risk wording had been updated with emphasis on lack of corporate change and the future risk increased from "8" to "12", the Corporate Risk Register stated that future risk was listed at 20. This needed to be examined.
- It was possible to use the risk table to inform where potential risks may lie, but through the work that the Committee had been doing and all the discussions it had, it was possible to discern where the risks actually were. There may be other risks not yet considered, but on the risk map, there were quite a few risks that needed to be managed. However, work would still be done to look at the systems and see if it was possible to populate it with 'inherent risks' (a risk profile without controls).

RESOLVED:

To note the Corporate Risk Register as at 31 January 2025, attached at Appendix A of the report.

14. MONEY LAUNDERING POLICY

Ms Vanessa Bateman, Deputy Head of Audit & Risk Management, introduced the report.

RESOLVED:

To endorse the Money Laundering Policy.

15. UPDATE ON PROCUREMENT MODERNISATION PLAN AND COMPLIANCE WITH THE PROCUREMENT ACT

Ms Taryn Eves, Corporate Director of Finance Resources and Mr Barry Phelps, Chief Procurement Officer, introduced the report.

The meeting welcomed the report and heard:

- All of the Procurement staff were now accredited practitioners in the Procurement Act. They had all gone through the central government college and taken the courses required to become accredited under the Procurement Act. Some members of the team were advanced practitioners. Ongoing training was in place for the Council which ran three times a week and would do so for the next few months. These included training sessions introducing staff to the Procurement Act, picking out the salient points that they needed to be aware of regarding their procurement, commissioning and contract management activity. Specific focus sessions were held and specific training was done for the care teams. As of next month, the Council would introduce a refresh contract management training so that the Council could rise to a better standard of contract management. It would understand what staff obligations were under the Procurement Act, but also introduce best practice which was aligned with central government. There would also be an ongoing program of training for the foreseeable future, but at a reduced scale.
- As part of the modernisation program, a restructure within strategic procurement had been completed. This involved the introduction of a policy and sustainability workstream. A compliance officer had been appointed within Strategic Procurement who was looking at some of the areas previously picked up in audits around multiple contracts going to certain suppliers and different spending. All procurements above £25,000 was being centralised. Previously, the team only managed procurements above £160,000. The team that would be managing a significant amount of the expenditure would follow compliance. The Compliance Officer was monitoring compliance by the team as well as others. A regime that monitored the transparency requirements under the Procurement Act had already been established to ensure that procedures were being followed. A monthly meeting was held with officers and a structured set of data was provided on compliance information.
- Data was being used to specify a targeted engagement with people where it was needed. The spending controls put in place as part of the emergency response to the financial position was not a long stain long-term sustainable solution. Compliance as part of business as usual should be a normal practice. The training and engagement would continue as long as it was needed. This was so that staff became aware of their roles and responsibilities and if there was still non-compliance, then the consequences needed to be considered. A second line of defence was there for compliance, whether it was the Procurement team or the Finance team. A range of enabling services needed to be the eyes and ears for each other. If there were areas of non-compliance, it would be

useful to understand why this was the case. Sometimes it was a training or communication need.

RESOLVED:

To note the information contained in the report.

CHAIR: Councillor Erdal Dogan

Signed by Chair

Date

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Corporate Committee – Action Tracker				
Meeting date	Action	Response	Who by	Status
21 September 2023	The meeting felt It would be useful to receive a report on risk management strategy which included an update (or a risk management strategy) on leisure services by the next meeting.	This request is in progress and will be reported to the Audit Committee meeting in Feb/Mar 2024. The Audit Committee received a paper in March setting out the corporate risks and an assurance map setting out details of audits that provided assurances over these risks. A further paper is planned for Oct / Dec meeting with an update of the key corporate risks.	Minesh Jani	Completed
21 September 2023	The formally constituted Corporate Committee received a presentation from the Head of Procurement in September 2022, which was where the actions first arose. At that meeting, the Head of Procurement explained that he wanted to make changes and that those changes would take time including the need for replacement for IT systems that the Council used. Councillors' comments would be raised by the Head of Procurement and he would be asked to review his comments in light of councillors suggestions to see if it was possible to get a rough estimate so that some clarity could be attained regarding the number of tenders that went through. Depending on the threshold of the value of the contracts, the Council was required to follow up the process. It was important for the procurement team to have that information available to them as well. There was large element of work that was ongoing at the moment in terms of what needed to change. It would be helpful to invite the Head of Procurement to the next meeting to give an update on progress.	This request is in progress and will be reported to the Audit Committee meeting in Feb/Mar 2024. The Head of Procurement presented at the Audit Committee in Mar 2024 and is scheduled to attend the Audit Committee in Oct 2024.	Minesh Jani	Completed

18 January 2024	In relation to SAMPIP, it would be possible to share the terms of reference of the property governance structure boards so that the Audit Committee would be able to inspect them. A description of the Boards could be submitted to the Audit Committee.	The council have rolled out a new suite of governance boards. Attached is a presentation of these boards and the areas they cover. Implementation of new governance framework commenced in May 2025. Link to presentation - Here	Jonathan Kirby	Initiated
	A report on the Meanwhile Use and the Co-Location use would be circulated to the Committee when it became available.	We will provide numbers of properties that are currently being used for meanwhile or co-location purposes	Jonathan Kirby	
18 January 2024	In terms of implementation and training, there had been a change resource within the project to support this. A whole communication program was being put into place over the next few weeks. The Council had already started, but the more the system was understood the more this understanding could be communicated. The Procurement team would be the main users and there was a further improvement program running alongside the implementation. The Council was looking to integrate the new Procurement Act and the new regulations and communicating this across the organisation. A training programme would be undertaken in relation to this. The system itself had context-sensitive help. When a user was on a screen, the help that was embedded in the system would relate directly to the activity. A further update would be provided at a future meeting regarding how the system had been implemented.	A report is being submitted by Digital Services to July Audit Committee with an update on the implementation of the e-procurement system.	Taryn Eves	Initiated

18 January 2024	A list of risks and mitigation would be provided to the Committee.	This will form part of the July report going to Audit Committee by Digital Services	Taryn Eves	Completed
18 January 2024	Benchmark data of local spend and number of contracts and information on the Procurement Act would also be provided to the Committee.	A report has been drafted for Audit Committee with data requested. Awaiting legal comments	Taryn Eves	Initiated
18 January 2024	In relation to agency staff, work had been done regarding contract management. However, a more detailed update would be provided to the Committee.	The audit of the contract management arrangements over the Agency Staff contract was assigned “Limited” assurance and the findings shared with the Audit Committee. The Head of Audit will liaise with the Chair of the Audit Committee to determine any further actions / updates. Update (Sept) – the service has been asked to provide an update to the Committee on the status of the recommendations raised by internal audit. Update (June 25) – the recommendations have been implemented	Minesh Jani	Completed
18 January 2024	Regarding Pendarren House, the Council’s risk appetite in this area was very low, so the auditors had been selective of the level of control that the Council wished to see and management had been acting fast in responding. Steps were being taken to deal with the specific issues and monitoring of progress would be dealt with by the key performance indicators. A follow up in the area would be done to make sure the arrangements were robust.	A follow up of this audit will be carried out in this financial year as part of the usual follow up process. Update (Sept) – the service has been asked to provide an update to the Committee on the status of the recommendations raised by internal audit. The paper will be shared with the Committee before its next meeting. Update (June 25) – the recommendations have been implemented	Minesh Jani Minesh Jani	Completed Completed

18 January 2024	It was unclear what state the issues that Pendarren House had and therefore a query would be made to the service and an update would be provided to the Committee.	The Assistant Director (Schools) confirmed all actions arising from the audit had been actioned / completed. Please note comments above.	Minesh Jani	Completed
18 July	Procurement Systems: Part of the reason that the review being undertaken was because there were serious concerns regarding the timetable. This was what the review was looking at. Once the review had been undertaken, it would be possible to take stock of actually where things were in terms of delivering the functionality expected at various points in time. An update would be provided once the review had been completed. The review would be completed by the end of the coming week.		Taryn Eves	Ongoing
18 July	Procurement Systems: The Committee would be informed when the project was initially signed off and funding was afforded and what the monetary benefits would have been.		Taryn Eves	
18 July	At the next Committee, a joint report by Digital Services and Procurement that covered a range of issues with a single update would be submitted.		Taryn Eves	
18 July	Audit Update: In relation to recommendations that had not been implemented which were classified as priority one, two, or three, it would be useful to translate what this meant for the Committee. At the next meeting, the "P1" recommendations which were outstanding specifically would be useful. It would also provide a chance to refresh the recommendations.	The quarterly internal audit report for the first quarter highlights four priority 1 recommendations were followed and all had been implemented. In future, as noted, details of recommendations will be reported to the Audit Committee as part of the usual quarterly report.	Minesh Jani	Completed

18 July	The cloud strategy status appeared to state that the risk associated had been re-evaluated and the audit was not deemed to be needed at this point. This appeared to be a risk prone approach as cloud services tended to have minimum control. In response, the meeting heard that was an audit in the plan which was about to start to look at the implementation route by which Leisure Services would come back in-house. This was not to review the leisure service in function, but the program in place for the delivery of insourcing leisure functions. The report for this would be submitted to the Committee in October 2024. Risks were high for the cloud strategy, but the audit was pushed out because of all the other audits that were on the plan. This would be brought back into the audit space.	The feedback and comments from the Audit Committee are very helpful and the risks highlighted are noted. An assessment of cloud strategy will form part of the audit planning process for 2025/26 and be reported to the audit committee at its meeting in March. Update (June 25) – the audit needs is planned for ICT and that will re-assess the risk profile. The Updated ICT will presented to the audit committee once completed.	Minesh Jani	Completed
8 Oct	An update on Pendarren House would be provided in advance of the next meeting and would be circulated to members of the Committee.	An update was circulated to all members of the audit committee	Minesh Jani	Completed
8 Oct	Purchase Cads: The maximum annual expenditure of £66 million should have been reduced but an update on this would be provided outside of the meeting.		Taryn Eves	
3 Dec	Internal Audit Update Progress Report: An action would be placed in the Action Tracker to monitor the 'limited assurance' status regarding Procurement.	This action is on-going. The annual report captures procurement related audits and their assurances.	Minesh Jani	Initiated
11 Mar	Commercial Property Audit Update: The debt in the audit report was a snapshot in time of June 2023. The debt had not been neglected. This was high at the top of the wider property agenda as this was seen as important. The Committee would be informed of the arrears.	Officers review the debt in the commercial property portfolio on a monthly basis with Finance. The latest 'debt figures' will be provided, following officers agreeing a single definition of debt and re-running that data, in accordance with this definition. The reason being that currently, good regular payers of their rent on a monthly basis, will technically show in debt when we raise a quarterly invoice, for which they pay monthly. Until that 3 month period is paid they will technically show as	Jonathan Kirby	Initiated

		in debt. This means that depending on the time of running a report the snap shot figure, at that moment in time, will not give a fair reflection of the long standing top debtors for which we take action against. We are targeting being able to circulate this information for September 25.		
11 Mar	Internal Audit: The service was responsible for making sure that they produced regular information and a request for updating a list of housing boards could be passed onto the service. Internal audit would not have that information on an ongoing basis but the service could be asked to create this and this could be reported back to the Committee.		Minesh Jani	Initiated
11 Mar	Internal Audit: The manner in which the Council arranged its processes for billing clients led to the adult social care debt. One of the one of the key issues is that the Council did not have a variable direct debit so the Council had a fixed amount that it billed each client, each month, irrespective of the service they received. This was then retrospectively calculated what the charge should be and bill the client afterwards. The clients themselves were never quite sure how much their debt actually was It was possible to invite the appropriate service to give an update at a future meeting on general management of financial assessments as a whole, because the auditors raised a number of different areas of concern impacting many aspects of how financial assessments were carried out. It was worth considering if a person did not engage in providing the information for financial assessments, if the Council should maintain the policy to continue providing the service or if there should there be an alternative. An update would be provided at the next meeting.		Minesh Jani	Initiated
11 Mar	Internal Audit: The issue of voids had been raised in the past. The Committee wished to have an audit of voids carried out. The number of issues that were not working as well as they should be. No update at present time could be provided. However, the Director could be asked to provide an update to the Committee		Minesh Jani	Initiated

11 Mar	Internal Audit: The meeting felt that the limited assurance on Broadwater Farm and the general update was extremely worrying because of the amount of money involved and the number of flats that frozen compared to how many people on the waiting list accommodations. It was noted that a formal business case was not in place for the program and that the project initiation document had not been updated since March 2019. This had been a subject of previous audits and had to go further than simply being noted. The project had been initiated approximately eight years ago. The estimate at the time was £30 million. This was an underestimated sum. Not providing a regular update was something that needed to be urgently considered. The reports also stated that recommendations were due for implementation by March 2025. An update could be given on these issues at a future meeting.		Minesh Jani	Initiated
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Report for: Audit Committee 22nd July 2025

Title: External Audit Plan 2024/25

Report authorised by: Taryn Eves, Corporate Director of Finance & Resources (S151 Officer)

Lead Officers: Kaycee Ikegwu, Chief Accountant
kaycee.ikegwu@haringey.gov.uk
Sahr Kamanda, Deputy Chief Accountant
Sahr.kamanda@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. This report updates the Committee on the Council's plan for the audit of the Statement of Accounts for 2024/25, which includes the Collection Fund, Housing Revenue Account and Haringey Pensions Fund.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. That the Committee notes the contents of this cover report, the draft audit plan and any further oral updates given at the meeting by our external auditors, KPMG LLP.

4. Reason for Decision

- 4.1. The Council is required to have its annual statement of accounts audited in line with current legislation and related regulations. The Committee has oversight of both internal and external audit, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability. This report provides the Committee with details of the draft external audit plan.

5. Other options considered

- 5.1. This is a statutory requirement.

6. Background information

- 6.1. The content of the Statement of Accounts is largely determined by statutory requirements and mandatory professional standards as set out within the “Code of Practice on Financial Reporting” published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIPFA Code of Practice is based on International Financial Reporting Standards (IFRS), however adopts these in some cases to tailor their application to Local Government Finance.
- 6.2. The preparation and audit of the 2024/25 statement of accounts is a statutory requirement of the Accounts and Audit (Amendment) Regulations 2024. The 2024/25 draft accounts must be prepared and certified by 30th June 2025 by the Section 151 Officer that they represent a true and fair view of the financial position of the Council.
- 6.3. Audits should then be concluded by the backstop date of February 27th, 2026, and audited accounts published by this date, or, if audits have not concluded audited accounts should be published as soon as possible after this date.
- 6.4. Haringey published its draft accounts for 2024/25 by the 30th June 2025, as required, and will be commencing the audit in July 2025 as detailed in the appended draft audit plan.
- 6.5. The 2024/25 draft audit plan will be presented by Tim Cutler, the Audit Partner from KPMG. The plan sets out the approach the auditors will take, the key issues, timescales, staffing and fee for the audit. The audit plan is appended to this report at Appendix 1.
- 6.6. Officers will provide the auditors with all necessary information during the audit. KPMG will then report back to the Audit Committee in January 2026 on their findings and any recommendations.
- 6.7. Auditors are under increasing regulatory pressure to complete additional work, to gain higher levels of assurance before they can sign off an audit as complete.
- 6.8. Auditors are required to provide additional commentary on financial sustainability, governance and improving economy, efficiency, and effectiveness.

7. Contribution to Strategic Outcomes

- 7.1. None.

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

Finance and Procurement

8.1. As this report details a financial subject matter, finance comments are made throughout the content of this report.

Legal

8.2. The Director of Legal & Governance has been consulted in the preparation of this report.

8.3. The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 provides the framework of duties and responsibilities with regard to the audit of local authority accounts.

8.4. The Council is a category 1 authority and must also comply with the requirements of the relevant Regulations of the Accounts and Audit (Amendment) Regulations 2024 when preparing the statement of accounts. Members should note the content of this cover report and the draft audit plan for the external audit to be carried out by KPMG. In considering the report Members must consider the expert financial advice available to it and any further oral advice given at the meeting of the Committee. The report does not raise any legal issues.

Equalities

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

9. Use of Appendices

Appendix 1 – Draft Audit Plan from KPMG

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

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Haringey London Borough Council

DRAFT - Report to the Audit Committee

**External Audit Plan & Strategy for the year ended
31 March 2025**

22 July 2025

Introduction

To the Audit Committee of Haringey London Borough Council

We are pleased to have the opportunity to meet with you in July 2025 to discuss our audit of the consolidated financial statements of Haringey London Borough Council for the year ended 31 March 2025.

This draft report provides the Audit Committee with an opportunity to review our planned audit approach and scope for the 2024/25 audit. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and in compliance with the NAO's 2024/25 Code of Audit Practice, auditing standards and other professional requirements.

This report outlines our draft risk assessment and draft planned audit approach. Our planning activities are still ongoing and we will communicate any significant changes to the planned audit approach.

We provide this draft report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

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Audit Risks and our audit approach	11
Other significant matters related to our audit approach	12
Mandatory communications	13
Appendix	15

The engagement team

Tim Cutler, FCA, is the engagement partner on the audit. He has 28 years of experience.

Tim Cutler shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Chris Paisley (Director), Josh Parkinson (Manager) and Richard Yang (Assistant Manager) with 14, 6 and 4 years of experience respectively.

Yours sincerely,



Tim Cutler

Partner - KPMG LLP

22 July 2025

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We aim to complete all audit work no later than 2 days before audit signing. As you are aware, we will not issue our audit opinion until we have completed all relevant procedures, including audit documentation.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Tim Cutler (tim.cutler@kpmg.co.uk), the engagement lead to the Authority and KPMG's contact partner, who will try to resolve your complaint. If you are dissatisfied with the response, you can raise your complaint as per the following process [Complaints](#)

Impact of backstop on our audit

Ongoing measures to resolve the backlog

As previously reported the Government has introduced measures to resolve the legacy local government financial reporting and audit backlog.

Last year amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which allowed auditors to give disclaimed opinions over any open, incomplete audits up to the period ending 31 March 2023. These were required to be delivered by 13th December 2024. For the Authority this had the impact of a disclaimed audit opinion for three financial years to and including 2022/23 (as issued by the previous auditors). We issued a disclaimed audit opinion for 2023/24 on 28 February 2025 to comply with the backstop date relevant to our audit.

Impact on our audit of the financial statements

As explained in previous reporting to the audit committee the level of rebuilding assurance related to the years prior to our appointment was limited in 2023/24. This was because we concluded there was insufficient time before the February 2025 backstop to complete our audit to obtain sufficient appropriate audit evidence, and, in our view, this was pervasive to the prior year financial statements as a whole.

The impact of the above means that for the financial year 2024/25 elements of the opening balances and 2023/24 comparatives are still impacted by previous disclaimers and as such our audit opinion is likely to be modified in relation to this matter.

Work is ongoing in the sector to develop guidance to help support appropriate audit procedures for audits where further work on is required to build back assurance.

Significant challenges progressing work

Matters which led to significant challenges in performing the 2023/24 audit included the following:

- Delays in management providing some of the required information such as sample requests and listings;
- Quality & availability of transaction listings, specifically in obtaining detailed transactional breakdowns of Debtors & Creditors as well as issues with variances identified between the general ledger and the Northgate system used for the Housing Revenue Account;
- We noted that the valuer was provided with incomplete information to undertake their valuation report, which resulted in several assets not being valued. The Council estimated these to be valued at £32.8m. Additionally, we were aware that circa £18m of assets were completed in year but due to the timing of the work done by the capital team, the information for these was not provided to the valuer such that a valuation could be performed;
- Quality of audit evidence, specifically the level of supporting documentation for Journals & Expenditure transactions resulting in multiple challenges and requests back to management.

We have debriefed and discussed these challenges with management with the aim of ensuring a smoother audit process for 2024/25.

Value for Money

The amendments to the Accounts and Audit Regulations do not impact on our responsibilities in relation to the Authority's Value for Money arrangements. We are responsible for forming a view on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources and as such our work will proceed as normal.

Overview of planned scope including materiality

Our materiality levels

We determined materiality for the consolidated financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of expenditure which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users.

We considered qualitative factors such as stability of legislation and a lack of shareholders when determining materiality for the financial statements as a whole.

To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level of materiality (65% of materiality) driven by our expectations of an increased level of undetected or uncorrected misstatements in the period.

We will report misstatements to the audit committee including:

- Corrected and uncorrected audit misstatements above £1.32m.
- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually in aggregate, may have on our opinion.
- Other misstatements we include due to the nature of the item.

Control environment

The impact of the group control environment on our audit is reflected in our planned audit procedures. Our planned audit procedures reflect findings raised in the previous year and management's response to those findings.

Group Materiality



Materiality for the consolidated financial statements as a whole

Group

£26.4m

(1.99% of expenditure vs 2023/24: £21.8m, 1.84% of expenditure)

Performance Materiality

£17.1m

(2023/24: £14.1m))

Misstatements reported to the audit committee

£1.32m

(2023/24: £1.05m)

Council Materiality

£25.9m

1.99% of expenditure

Overview of planned scope including materiality (cont.)

Timing of our audit and communications

- We will maintain communication led by the engagement partner and manager throughout the audit. We set out below the form, timing and general content of our planned communications:
- Kick-off meeting with management in May 2025 where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas;
- Audit Committee meeting in July 2025 where we present our draft audit plan;
- Status meetings with management throughout the year where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues;
- Closing meeting with management in December 2025 where we discuss the auditor's report and any outstanding deliverables;
- Audit Committee meeting in January 2026 where we communicate audit misstatements and significant control deficiencies; and
- Biannual private meetings can also be arranged with the Committee chair if there is interest.

Using the work of others and areas requiring specialised skill

We outline below where, in our planned audit response to audit risks, we expect to use the work of others such as Internal Audit or require specialised skill/knowledge to perform planned audit procedures and evaluate results.

Others	Extent of planned involvement or use of work
Internal Audit	We do not plan to rely on the work performed by internal audit as part of our external audit.
KPMG IT Audit Team	We will be utilising our IT team to gain an understanding of the key financial systems and processes within the council.
KPMG Pensions Centre of Excellence (PCoE)	We will be utilising our PCoE team to perform work over the LGPS assets & liabilities within the council's accounts.
KPMG Revaluation Team (REVCoe)	We will be utilising our REVCoe team to perform work over the annual revaluation of the council's Land & Buildings.
KPMG Data & Analytics (D&A) Team	We will be utilising our D&A Team to assist with the extraction of journals at year end.

Significant risks, Higher assessed risks and Other audit risks

Key: # Significant financial statement audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which Haringey London Borough Council operates.

We also use our regular meetings with senior management to update our understanding and take input from internal audit reports.

Due to the current levels of uncertainty there is an increased likelihood of significant risks emerging throughout the audit cycle that are not identified (or in existence) at the time we planned our audit. Where such items are identified we will amend our audit approach accordingly and communicate this to the Committee.

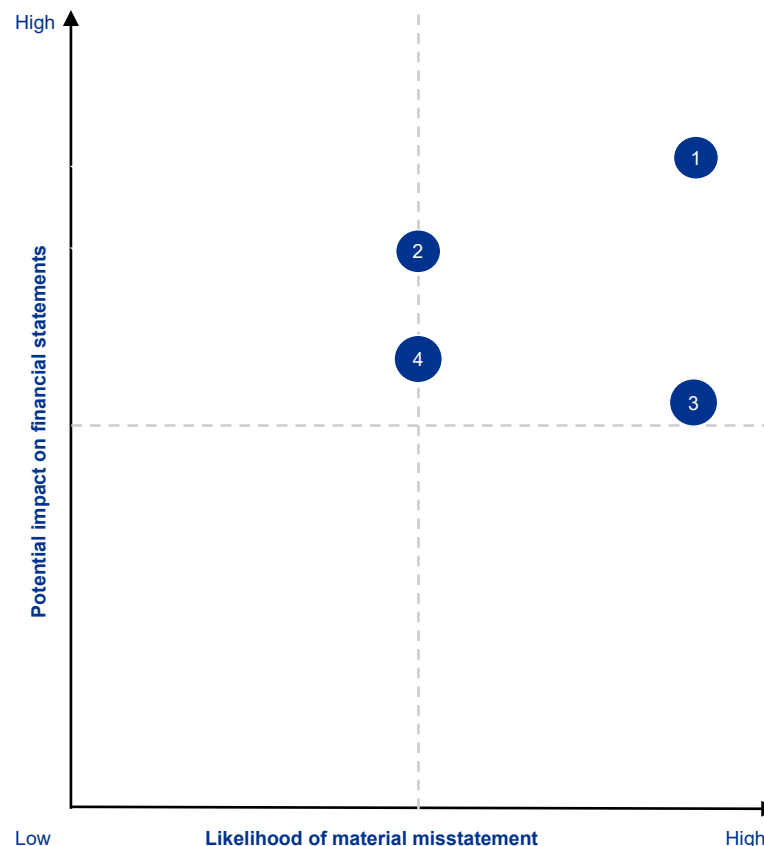
Value for money

We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Council and report on this via our Auditor's Annual Report. This will be published on the Council's website and include a commentary on our view of the appropriateness of the Council's arrangements against each of the three specified domains of Value for Money: financial sustainability; governance; and improving economy, efficiency and effectiveness.

Our risk assessment work over this has not yet commenced and we will update the Audit Committee at a later date.

Significant risks

1. Valuation of land and buildings
2. Management override of controls
3. Valuation of post retirement benefit obligations
4. Expenditure recognition



Audit risks and our audit approach (cont.)

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.

The value of the council's Land & Buildings at 31 March 2025 was £3.0bn, with c.£1.9bn valued at EUV & £1.1bn at DRC.



Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of Wilks Head & Eve LLP, the valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation of land and buildings. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- We will utilise our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised; and
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

2 Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit, however we are aware that the journals approval control does not meet the auditing standards threshold required to be deemed as effective, as reported in the previous period.

Note: (a) Significant risk that professional standards require us to assess in all cases.



Planned response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the council's normal course of business, or are otherwise unusual.
- We will analyse all journals through the year using data and analytics and focus our testing on those with a higher risk.

Audit risks and our audit approach (cont.)

3

Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



Planned response

We will perform the following procedures:

- Understand the processes the Council have in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions;
- Where applicable, assess the level of surplus that should be recognised by the entity.

Audit risks and our audit approach (cont.)

4 Fraud risk from expenditure recognition

Liabilities and related expenses for purchases of goods or services are not completely identified and recorded



Significant audit risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition is required to be considered.

The Council has a statutory duty to balance their annual budget. Where a Council does not meet its budget this creates pressure on the Council's usable reserves and this in turn provides a pressure on the following year's budget. This is not a desirable outcome for management.

We consider that this risk is focussed around the completeness of manual accruals (i.e. excluding those which are system-generated such as Goods Received Not Invoiced), with the council looking to push back expenditure to 2025-26 to mitigate financial pressures. This risk is further heightened by the need to meet an agreed outturn to ensure receipt of resilience funding.



Planned response

We will perform the following procedures in order to respond to the significant risk identified:

- We will evaluate the design and implementation of controls for developing manual expenditure accruals at the end of the year to verify that they have been completely recorded;
- We will inspect a sample of invoices of expenditure and payments from the bank, in the period after 31 March 2025, to determine whether expenditure has been recognised in the correct accounting period and whether accruals are complete;
- We will inspect journals posted as part of the year end close procedures that decrease the level of expenditure recorded in order to critically assess whether there was an appropriate basis for posting the journal and the value can be agreed to supporting evidence.

Audit risks and our audit approach

Revenue – Rebuttal of Significant Risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Due to the nature of the revenue within the sector we have rebutted this significant risk. We have set out the rationale for the rebuttal of key types of income in the table below.

Description of Income	Nature of Income	Rationale for Rebuttal
Council tax	This is the income received from local residents paid in accordance with an annual bill based on the banding of the property concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of properties in the area and the fixed price that is approved annually based on a band D property: it is highly unlikely for there to be a material error in the population.
Business rates	Revenue received from local businesses paid in accordance with an annual demand based on the rateable value of the business concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of businesses in the area and the fixed amount that is approved annually: it is highly unlikely for there to be a material error in the population.
Fees and charges	Revenue recognised from receipt of fixed fee services, in line with the fees and charges schedules agreed and approved annually.	The income stream represents high volume, low value sales, with simple recognition. Fees and charges values are agreed annually. We do not deem there to be any incentive or opportunity to manipulate the income.
Grant income	Predictable income receipted primarily from central government, including for housing benefits.	Grant income at a local authority typically involves a small number of high value items and an immaterial residual population. These high value items frequently have simple recognition criteria and can be traced easily to third party documentation, most often from central government source data. There is limited incentive or opportunity to manipulate these figures.

Other significant matters related to our audit approach

Disclosure of significant estimates and judgements

We have included here the disclosures of significant estimates and judgements from the current year draft accounts.

Estimates and judgements	Balance £m	Further comments
Land & Buildings	2,978.4	The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. We have identified separate estimates linked to different valuation methods within this balance – Existing Use Value & Direct Replacement Cost.
Defined Benefit Obligations	2,011.3	The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
Investment Property	118.0	The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date.
Impairment Allowance For Doubtful Debt	173.0	As at 31 March 2025, the Council had an outstanding balance of short-term debtors totalling £337m. Against this debtors' balance, there is an impairment allowance of £173.0m. The majority of this balance is driven by age rather than based on historic collection rates, however there is still a material value subject to inherent uncertainty within the calculation.

Impacts of climate risk and climate change disclosures

We will evaluate management's assessment of the potential financial implications of climate risk on the financial statements, including estimates and disclosures.

As part of our procedures on other information, we will obtain and read your climate change disclosures. We will consider whether there is a material inconsistency between this information included in the annual report and the financial statements, or with our knowledge obtained in the audit; or whether this information appears to be materially misstated.

Mandatory communications - additional reporting

Going concern

Under NAO guidance, including Practice Note 10 - A local authority's financial statements shall be prepared on a going concern basis; this is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganization) do not negate the presumption of going concern.

However, financial sustainability is a core area of focus for our Value for Money opinion.

Additional reporting

Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepare an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We also have responsibilities which come specifically from acting as a component auditor to the NAO. In considering these matters at the planning stage we indicate whether:

Work is completed throughout our audit and we can confirm the matters are progressing satisfactorily 	We have identified issues that we may need to report 	Work is completed at a later stage of our audit so we have nothing to report 

We have summarised the status of all these various requirements at the time of planning our audit below and will update you as our work progresses:

Type	Status	Response
Our declaration of independence		No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters to date.
Provide a statement to the NAO on your consolidation schedule		This "Whole of Government Accounts" requirement is fulfilled when we complete any work required of us by the NAO to assist their audit of the consolidated accounts of DLUHC.
Provide a summary of risks of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. Work to be completed at a later stage.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.

Mandatory communications

Type	Statements
Management's responsibilities (and, where appropriate, those charged with governance)	Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error. Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.
Auditor's responsibilities	Our responsibilities set out through the NAO Code (communicated to you by the PSAA) and can be also found on their website, which include our responsibilities to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Auditor's responsibilities – Fraud	This report communicates how we plan to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to implement appropriate responses to fraud or suspected fraud identified during the audit.
Auditor's responsibilities – Other information	Our responsibilities are communicated to you by the PSAA and can be also found on their website, which communicates our responsibilities with respect to other information in documents containing audited financial statements. We will report to you on material inconsistencies and misstatements in other information.
Independence	Our independence confirmation at page 19 discloses matters relating to our independence and objectivity including any relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement partner and audit staff.

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Audit team and rotation

Your audit team has been drawn from our specialist local government audit department and is led by key members of staff who will be supported by auditors and specialists as necessary to complete our work. We also ensure that we consider rotation of your audit partner and firm.

	Tim Cutler is the partner responsible for our audit. They will lead our audit work, attend the Committee and be responsible for the opinions that we issue.		Christopher Paisley is the director responsible for supporting the audit partner in leading the audit work, with a specific focus on the Value For Money work.
	Josh Parkinson is the Manager responsible for our audit. He will co-ordinate our audit work, attend the Audit Committee and ensure we are co-ordinated across our accounts work		Richard Yang is the Assistant Manager responsible for our audit for the second year. They will be responsible for our on-site fieldwork. He will complete work on more complex section of the audit.

To comply with professional standard we need to ensure that you appropriately rotate your external audit partner. There are no other members of your team which we will need to consider this requirement for:



This will be partner’s second year as your engagement lead. They are required to rotate every five years, extendable to seven with PSAA approval.

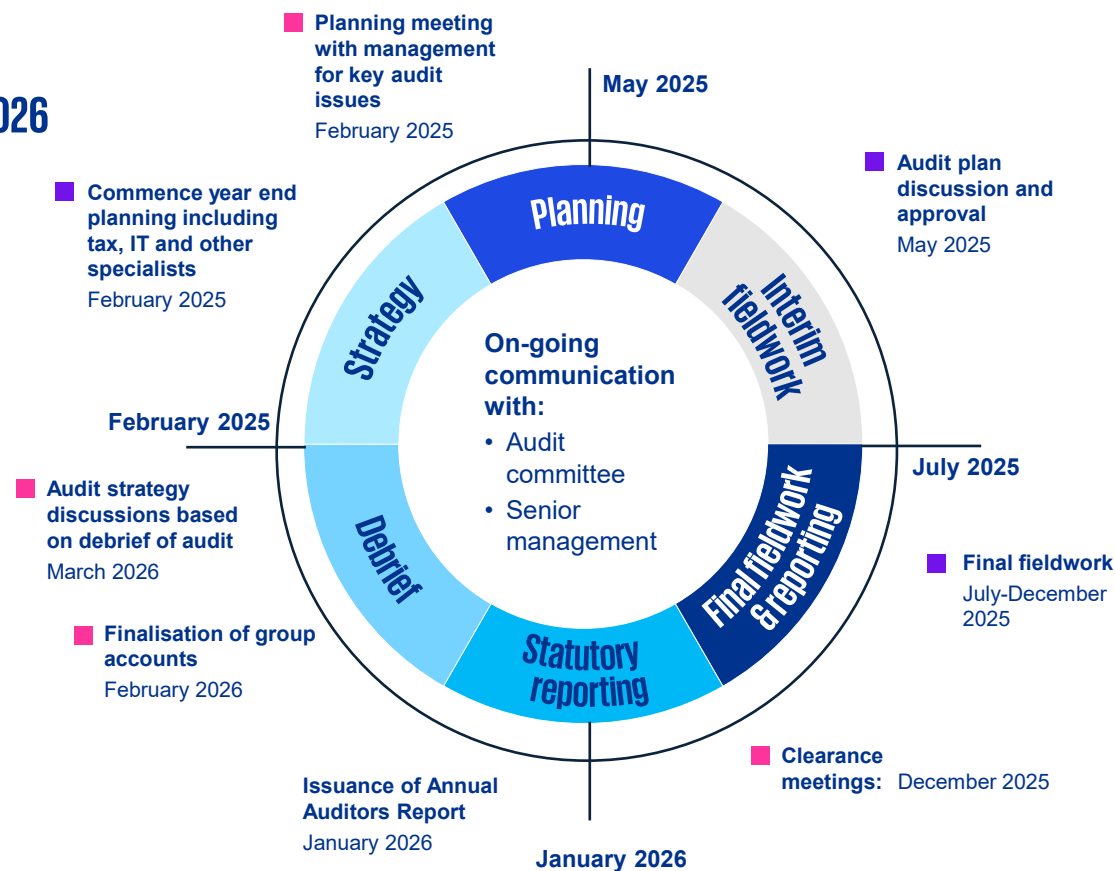
Audit cycle & timetable

Our schedule February 2025 – February 2026

We have worked with management to generate our understanding of the processes and controls in place at the Council in its preparation of the Statement of Accounts.

We have agreed with management an audit cycle and timetable that reflects our aim to sign our audit report by February 2026 as per the backstop date.

Given the large amount of consultation happening in regard to the scope and timing of local government this audit **schedule may be subject to change**.



Key:

- Timing of communications
- Key events

Fees

Audit fee

Our fees for the year ended 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2024/25 (£'000)	2023/24 (£'000)
Statutory audit	532.5	499.6
PSAA Scale Fee Refund	TBC	(49.9)
Financial Statement Work Overruns	TBC	50.8
VFM Significant Risks	TBC	31.7
Disclaimed Opinion Fee Variation	TBC	5.8
ISA315 Fee Variation	N/A	17.3
TOTAL	532.5	555.2

For 24/25 the fee for ISA315R is now included in the scale fee. The work on building back assurance will be subject to additional fee to be agreed later in the year. Should this audit be selected as a sampled component by the NAO as a result of ISA600 any resulting work will also be subject to additional fee to be agreed later in the year.

Additional fees in relation to any overruns or significant risks identified as part of the Value For Money work will be subject to the fees variation process as outlined by the PSAA.

Billing arrangements

Fees will be billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The Council's audit evidence is completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of Haringey London Borough Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

The conclusion of the audit engagement partner as to our compliance with the FRC Ethical Standard in relation to this audit engagement [and that the safeguards we have applied are appropriate and adequate] is subject to review by an engagement quality control reviewer, who is a partner not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out on the table overleaf.

Confirmation of Independence

Disclosure	Description of scope of services	Principal threats to Independence	Safeguards Applied	Basis of fee	Value of Services Delivered in the year ended 31 March 2025 £m	Value of Services Committed but not yet delivered £m
1	Housing benefit grant certification	None identified	- The engagement contract makes clear that we will not perform any management functions. - The work is performed is not relied on within the audit file. - Our work does not involve judgement and are statements of fact based on agreed upon procedures.	Fixed	TBC	TBC
2	Teachers' Pensions audit	None identified	- The engagement contract makes clear that we will not perform any management functions. - The work is performed is not relied on within the audit file. - Our work does not involve judgement and are statements of fact based on agreed upon procedures.	Fixed	TBC	TBC
3	Pooling Of Housing Capital Receipts	None identified	- The engagement contract makes clear that we will not perform any management functions. - The work is performed is not relied on within the audit file. - Our work does not involve judgement and are statements of fact based on agreed upon procedures.	Fixed	TBC	TBC

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be TBC. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2024/25
	£'000
Statutory audit	532.5
Other Assurance Services	TBC
Total Fees	TBC

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

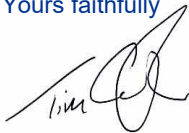
Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully



KPMG LLP

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

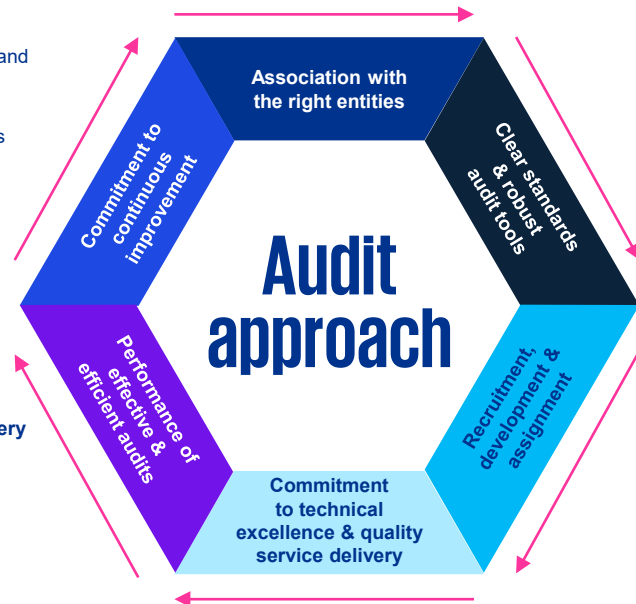
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select entities within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

Statement on the Effectiveness of our system of quality management

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Our full Statement on the effectiveness of the System of Quality Management of KPMG UK LLP as at 30 September 2023 can be found [here](#).

The extract below is the Statement on the Effectiveness of our system of quality management taken from our Transparency Report:

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1), the Financial Reporting Council (FRC)'s International Standard on Quality Management (UK) 1 (ISQM (UK) 1), and KPMG International Limited Policy, KPMG UK LLP (the "Firm" and/or "KPMG UK") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm.

The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

- a) The Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG UK outlines how its System of Quality Management supports the consistent performance of quality engagements in the 2023 Transparency Report.

Integrated quality monitoring and compliance programmes enable KPMG UK to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG UK performs its annual evaluation of the System of Quality Management, KPMG UK evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.



Understanding of IT



Summary

The release of ISA 315 (UK) revised brought an increased focus on Understanding of IT in the audit, and it continues to be an area of focus.

Stakeholders now expect auditors to not only understand IT in detail, but also to consider the impact of the findings from their risk assessment procedures on their planned audit approach.

Why is Understanding of IT so important?

Businesses continue to embrace increasingly complex and sophisticated IT systems and place more and more reliance on automated IT processing not simply for a competitive advantage, but also for "business as usual" operations.

This increased reliance means that to effectively audit accounts, balances and transactions, auditors are required to understand and challenge more around how those IT system and process work.

Therefore, Understanding of IT is a crucial building block of our audit strategy and influences our planned audit approach at every stage.

This is true regardless of whether controls reliance is planned or the audit is expected to be fully substantive in nature.

What kind of things might we identify?

As part of our risk assessment procedures, we perform:

- An assessment of the formality, or otherwise, of certain financially relevant IT processes
- An evaluation of the design and implementation of related general IT controls
- An evaluation of the design and implementation of automated process level controls

As a result of these procedures, we may identify IT control deficiencies or IT process informalities that may have an impact on our planned audit approach.

Additionally, we may identify findings related to the wider control environment or threats to the accuracy or completeness of the information used by both entity management and auditors alike.

What does this mean for our audits?

Auditors are being asked to consider the findings from their risk assessment procedures over IT in relation to the planned audit approach.

The findings may impact any area of the audit, however there are three main areas of focus where we anticipate that most impact as a result of identifying IT deficiencies or IT process informality;

- Increased risk to data integrity
- Additional fraud risk factors
- Additional high-risk criteria to be used in journals analysis

It is important to understand that these findings may have an impact regardless of planned reliance on automated controls and general IT controls.

ISA (UK) 600 Revised: Summary of changes



Summary

ISA (UK) 600 (Revised): Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors) is effective for periods commencing on or after 15 December 2023.

The new and revised requirements better aligns the standard with recently revised standards such as ISQM 1, ISA (UK) 220 (Revised) and ISA (UK) 315 (Revised). The revisions also strengthen the auditor's responsibilities related to professional skepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and documentation.

Area	Summary of changes and impact	Effect on audit effort
Risk-based approach	The nature and extent of risk assessment procedures performed by the group auditor at group level may increase, which may include further inquires of group and/or component management and those charged with governance; analytical procedures, attendance of walkthroughs at components, and inspection and/or observation of additional component information. Consequently, while we will continue to work across the group audit to be as efficient in our interactions with you as possible, group and component management will typically receive additional, and more specific/granular requests, for information from both the group and component auditors.	
Group auditor responsibilities	Through a more targeted audit response to address the group Risks of Material Misstatement, we may perform audit work and communicate with component management at a greater number of components within the group, and we may request less information from component management at certain components where we previously performed full scope audits for the Group audit, if we determine that a full scope audit is no longer necessary. While statutory audit requirements will still apply, this change may be beneficial for overall audit effort where a statutory audit is not required.	
Flexibility in defining components	You may also see changes in the planned scope and timing of the audit in communications to group management and those charged with governance, such as changes to the identification of components and the work to be performed on their financial information, and/or changes to the nature of the group auditor's planned involvement in the work to be performed by component auditors. The impact will be greater where there are more components.	
Quality management	Enhanced leadership, direction, supervision and review responsibilities of the group engagement partner may result in the group engagement partner needing to engage more extensively with group management, your component management and component auditors throughout the audit.	
Robust communication	If the group auditor determines that the increased work effort is needed, this determination will impact how much, and the type of, information you will need to provide to the group auditor or component auditors. The group auditor is required to prescribe required work at a more granular level. This may mean there is increased work for component auditors, particularly in year one, to align the requirements of the group audit and local statutory audits. We will continue to work closely to minimise this.	
Application of materiality and aggregation risk	Changes in component performance materiality may result in changes to the nature, timing and extent of component auditor's work. If so, this may impact how much, and the type of, information you will need to provide to the group auditor or component auditors.	
Revised independence principles	This may make it more challenging to address auditor rotation and other independence requirements for component auditors we may plan to involve in the group audit and mean more matters impacting independence may need to be communicated to you. Potential changes to the component auditor firms engaged to perform work on financial information of components.	



kpmg.com/uk

Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

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Report for: Audit Committee 22nd July 2025

Item number: 8

Title: Draft Statement of Accounts 2024/25

Report authorised by: Taryn Eves, Corporate Director of Finance & Resources (S151 Officer)

Lead Officers: Kaycee Ikegwu, Chief Accountant - kaycee.ikegwu@haringey.gov.uk
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Ward(s) affected: N/A

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

1. Describe the issue under consideration

- 1.1. This report updates the Committee on the Council's Draft Statement of Accounts 2024/25.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. That the Committee notes the contents of this report, and the appended Draft Statement of Accounts.

4. Reason for Decision

- 4.1. None.

5. Other options considered.

- 5.1. None.

6. Background information

- 6.1. The Code of Practice on Local Authority Accounting (the Code) together with the Accounts and Audit Regulations set the accounting and statutory framework for local authority financial reporting.

- 6.2. The Code is based on internationally recognised accounting standards (International Financial Reporting Standards (IFRS)). These form the basis for large private sector companies financial reporting.
- 6.3. However, the funding of Local Government by central government and local taxpayers is in some key aspects, very different from that under IFRS.
- 6.4. This makes local authority financial statements complex and difficult to interpret due to the need to reconcile the Council's financial performance and financial position under IFRS with that under the arrangements for funding local government.
- 6.5. The preparation and audit of the annual statement of accounts is a statutory requirement of the Accounts and Audit Regulations 2015. Statutory timescales are:
- 6.6. The draft statement of accounts should be prepared and certified by 31 May by the Section 151 Officer that they represent a true and fair view of the financial position of the Council.
- 6.7. Audit of the accounts should then be concluded by 31st July and audited accounts published by this date, or, if audits have not concluded audited accounts should be published as soon as possible after this date.
- 6.8. However, The Accounts and Audit (Amendment) Regulations 2024, which came into force on 30th September 2024 introduced a new backstop date of February 27th, 2026, for the 2024/25 accounts.
- 6.9. It also requires the draft accounts to be published by the 30th of June. These regulations have been approved in order to clear the national backlog of local authority audits.
- 6.10. In the production of the Councils accounts for 2024/25, the Council met the requirement for draft accounts to be published by 30th June 2025.
- 6.11. The 2024/25 draft statement of accounts highlights the Council performances and achievements during the year. General fund balances (including schools) were £52.2m as at the 31 March 2025 (£67.4m on 31 March 2024). The Housing Revenue Account (HRA) working balance was £20.2m as at the 31 March 2025 (£21.1m in 2023/24).
- 6.12. The decrease in General Fund balance is mainly attributed to the drawdown from earmarked reserves of £15.2m to cover the General Fund overspend for the 2024/25 financial year. Further details of Council's revenue outturn are contained in narratives to the statement of accounts.

- 6.13. The Council's balance sheet decreased by £318m in 2024/25. There was a £164m increase in property, plant, and equipment & investment property valuations. This increase was negated by an increase in long and short-term liabilities due to higher Council borrowing; and a £300m adverse movement in valuation of Council's pension position. The valuation resulted in a change from a net defined benefit asset of £87m to a net defined benefit liability of £213m.
- 6.14. The narratives to the statement of accounts contains the financial performance highlights (pages 12-16) and the financial outlook of Haringey (pages 16-19).
- 6.15. The Council implemented the IFRS 16 in 2024/25. This is a change in the way operational leases are reported. This disclosure meant that most operational leases were recognised on the balance sheet as a right of use assets and liabilities.
- 6.16. It should be noted that the draft accounts are unaudited. Following the external audit process over the summer, there is a possibility that the draft figures may change. Full details of any amendments will be set out in the audit report and reflected in the final statement of accounts that will be published after the audit.
- 6.17. The Public Inspection period will commence from 10am, Tuesday 1st July 2025. It will end at 4pm on Friday 11th August 2025. During this period any person(s) may request explanations/raise objections /inspect the accounts of the London Borough of Haringey for the year ended 31 March 2025.

Next Steps

- 6.18. Our external auditors, KPMG, will commence the audit of 2024/25 statement of accounts in July 2025. On completion, the final accounts, the Audit findings and the Auditors Annual Report will be presented to the Audit Committee.

7. Contribution to Strategic Outcomes

- 7.1. None.

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

- 8.1. As this report details a financial subject matter, finance comments are made throughout the content of this report.

Director of Legal and Governance

- 8.2. This report has been prepared in consultation with the Director of Legal and Governance.
- 8.3. The Draft Statement of Accounts has been produced in accordance with the Accounts and Audit (England) Regulations 2015 (“the 2015 Regulations”), which (among other things) governs the production, publication and exercise of public rights in relation to the statement of accounts. It is noted that the accounts are yet to be audited. The procedure governing publication and exercise of public rights in relation to the statement of accounts is contained in Parts 3 and 5 of the 2015 Regulations.
- 8.4. The Accounts and Audit (Amendment) Regulations 2024 was introduced to address the backlog of local audits in England. It provides statutory backstop dates for the publication of audited accounts for the financial years 2023/24 to 2027/2028. These regulations also require a local authority that fails to comply with a backstop date, to publish an explanation, send a copy to the Secretary of State and publish audited accounts as soon as practicable.
- 8.5. In the Policy Paper published 4 March 2025, ‘Addressing the local audit backlog in England: non-Compliance lists’ the government confirmed its intention to publishing lists of bodies that do not comply the requirement to publish audited accounts by a backstop date.

Equalities

- 8.3. There are no equalities issues arising from this report.

9. Use of Appendices

Appendix 1 – Draft Statement of Accounts 2023/24

10. Background Papers

- 10.1. Not applicable

London Borough of Haringey Draft Statement of Accounts 2024/25

30 June 2025

www.haringey.gov.uk



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NARRATIVE REPORT



Statement from Taryn Eves, Corporate Director of Finance & Resources (Section 151 Officer)

INTRODUCTION

This Narrative Report provides the context upon which to understand the financial performance of the council. The report covers both a summary of the financial performance for the financial year 2024/25 coupled with a narrative of the non-financial performance over the past 12 months.

The report provides the reader with key contextual information about the authority including its main objectives and strategies, the pressures it is facing, the principal risks and uncertainties and plans in place to manage and mitigate these. It also provides a commentary on how the Council (including the Group Accounts) has used its resources to achieve its desired outcomes in line with its objectives and strategies as set out in the Corporate Delivery Plan.

In 2024/25, the Council spent £333.3m on delivering day to day services to the borough's 264,200 residents, including 3,920 using adult social care services, 683 supported by children's social care, 2,630 supported in temporary accommodation and the range of more general services used by all residents across the borough. In addition, £79.9m was spent on capital investment into the borough's roads, schools, the environment, leisure and cultural facilities and the operational estate. In terms of the tenants living in the Council's 16,024 homes, £90.4m was spent on their day-to-day services in 2024/25 and £159.9m capital investment into new homes and major repairs on existing homes. This means a total of £663.5m was required to be spent across the borough delivering on the priorities set out in the Corporate Delivery Plan for 2024/25.

Despite, £34.1m of additional money built into service budgets for 2024/25, the outturn position is a £38m overspend on services, primarily driven by demand and price of services being significantly higher than was envisaged when the budget was set in March 2024, particularly for social care and temporary accommodation. Through the use of contingencies, uncommitted reserves and historic credit balances, one off contributions of £28m has reduced the overspend position to £10m, for which Exceptional Financial Support has been requested from Government to close the accounts. This is on top of

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the £37m of EFS that has been requested to enable the Council to set a balanced budget for 2025/26. This reliance on EFS is not sustainable and simply further increases the Council's borrowing costs year on year. Further detail on the approach taken to reduce the reliance on EFS across the medium term is set out in the Council MTFS.

ABOUT HARINGEY

Haringey is a diverse and dynamic area in North London, encompassing a rich tapestry of communities, cultures, and landscapes. It was established in 1965 through the amalgamation of the former boroughs of Hornsey, Tottenham, and Wood Green. The borough spans approximately 29.6 square kilometres, making it the 23rd largest borough in London.

Haringey continues to be a great place to live for families. It has great opportunities, with enormous potential for growth. Our facilities are good, with a range of cultural events and good transport links. The borough has a growing economy, more and better housing and flourishing communities. We are part of one of the world's greatest cities and benefit hugely from that – but more than this, we believe that, with our potential for growth, we are the future of London. We are already home to institutions of national and international significance, including Tottenham Hotspur and Alexandra Palace.

Haringey is characterised by its varied topography, from the wooded high grounds of Highgate and Muswell Hill to the flat, open low-lying areas beside the River Lea in the east. The borough boasts over 600 acres of parks, recreation grounds, and open spaces, accounting for more than 25% of its total area. Notable green spaces include Finsbury Park, Highgate Wood, and Queen's Wood. Haringey has 25 Green Flag Parks; and has reduced its carbon emissions significantly since 2005 but is behind target to be Net Zero Carbon by 2041. There

is a variety of housing available which means that people who cannot afford other parts of the city have been able to make Haringey their home. A high percentage (86%) of residents say they have good friendships and/or associations in their local area, while 88% say relations between different ethnic and religious communities are good.

Haringey is one of the most ethnically diverse in London, with both a young and older population. Its population is currently estimated at 264,200 residents and is expected to increase by 6.3% in the next 10 years, with the largest percentage growth in older age groups (65+), other ethnic groups and other white ethnic groups. Forty three percent (43%) of residents are from BAME groups and 22% identify as "white other". Children between the ages of 0-19 years accounts for 22.7% of the population. Residents aged 65+ accounts for 10.4% of the population. The white British group remains the largest population overall, followed by other white and black African.

Over 180 languages are spoken in Haringey, and 27.2% of the residents do not speak English as their main language. Jobs density in Haringey is relatively low though significantly improved, and the unemployment rate has improved significantly. Wages in Haringey now match the London average, but there are a larger number of Jobs Seekers Allowance (JSA) and Employment and Support Allowance (ESA) claimants than the London average.

Haringey is ranked 49 out of the 317 local authorities in England with respect to deprivation and is the 4th most deprived in London with pockets across the borough that are considered amongst the most deprived. Relative deprivation has reduced since 2015, though Haringey's London ranking has not shifted significantly.

Haringey's economy is predominantly driven by small businesses, with 93.3% employing fewer than 10 people. Key sectors include wholesale and retail trade (15.2%), Information & Communication (10.7%), Professional, Scientific & Technical

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Activities (18.2%) and construction (12.0%)

Despite this, we embrace change and transformation, and we are keen to engage in best practice so that despite our challenging financial position, we are actively seeking out opportunities to make Haringey a better place to live for our residents. There are several examples where we are working innovatively with partners to improve service delivery and to create better pathways of support for our residents and businesses.

BOROUGH VISION AND CORPORATE DELIVERY PLAN

Haringey is the world in one borough. A place of creativity, personality, diversity, and community.

Haringey's people are a huge asset, with knowledge, expertise, and passion. With all the challenges we face locally and globally, we know that we need to ensure we utilise these strengths.

On 15 October 2024, [Haringey's Borough Vision](#) was published with 'Making Haringey a place where everyone can belong and thrive is at the heart of a new shared vision for the borough'.

The aim of the vision is to galvanise the actions not just of the council but also of partners, residents and businesses behind a set of common objectives. Haringey 2035 identifies the six key areas for collaborative action over the next decade:

- Safe and affordable housing
- Thriving places
- Supporting children and young people's experiences and skills
- Feeling safe and being safe

- Tackling inequalities in health and wellbeing
- Supporting greener choices

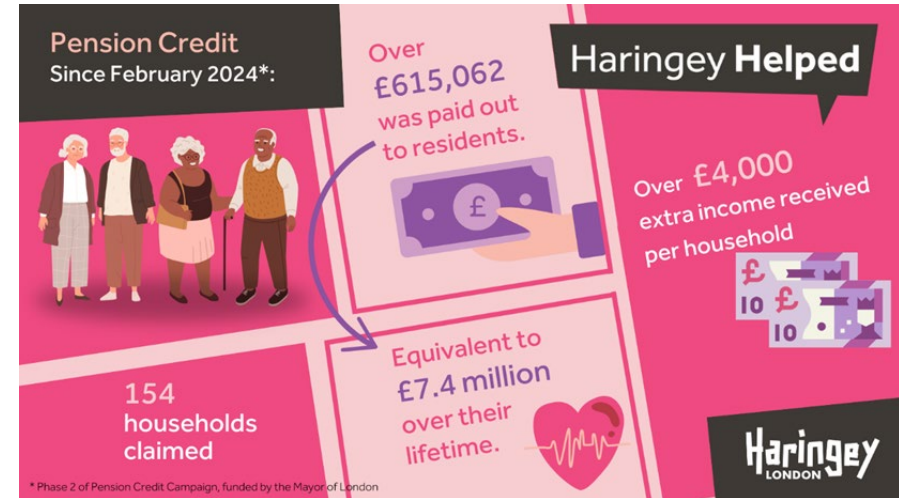
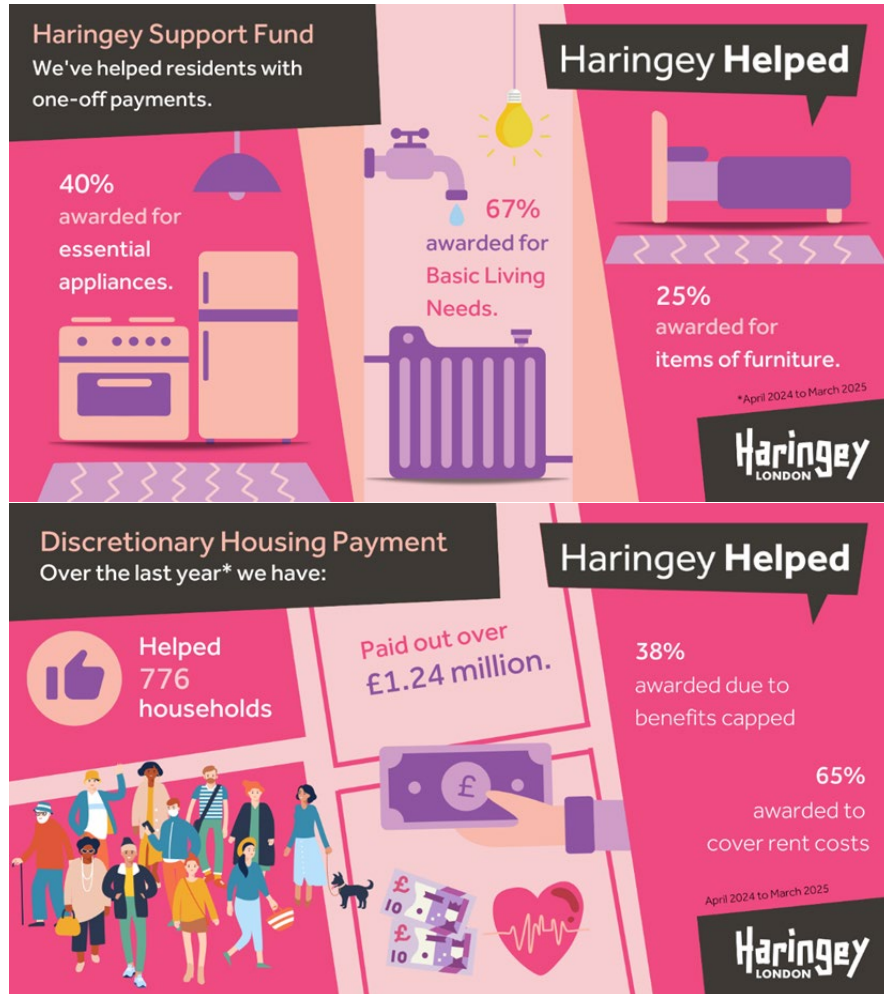
This builds on the Haringey Deal which sets out the council's commitment to developing a different relationship with residents, alongside the Corporate Delivery Plan (CDP) which sets out the organisational priorities every two years.

The most recent CDP was approved by Cabinet in July 2024 and can be found here - [The Corporate Delivery Plan 2024-2026 \(haringey.gov.uk\)](#). It outlines the strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The plan is set out in eight separate themes:

- Resident experience and enabling success
- Responding to the climate emergency
- Children and young people
- Adults, health and welfare
- Homes for the future
- Safer Haringey
- Culturally rich borough
- Place and economy.

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HOW HARINGEY HAS HELPED RESIDENTS IN 2024/25 AND DELIVERED ON ITS PRIORITIES



New Accommodation for Vulnerable Adults

The council secured a £850,000 grant from the Single Homeless Accommodation Programme to open a 24/7 supported facility at St Vincent Mews. Thirteen beds are available for adults with complex needs (e.g., mental health, substance misuse), providing wrap-around recovery support

Boost in Homeless Transition Support

Selected by the GLA and London Councils, Haringey participated in a pilot resettlement support scheme at Mulberry Heights. This initiative, managed with Thames Reach, helps residents move on more effectively from hostels into permanent housing

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New Council Homes Delivered

In March 2025, Cabinet approved 37 new energy-efficient, affordable council homes (27 two-bed, 3 adaptable three-bed units). These contribute to Haringey's target of 3,000 new homes by 2031 under an award-winning housebuilding programme

Street-Tree Planting Initiative

Through collaboration with Trees for Streets and community crowdfunding, 20 new trees were planted in West Green Road. These efforts partially funded by Haringey Council help enhance biodiversity, reduce heat, and bring residents together

Community Showcase & Voluntary Sector Funding

In December 2024, the annual Haringey Community Showcase hosted over 50 local groups. Awards recognised key contributions (e.g., Daughters United, Wheely Tots), and Challenge Fund grants were awarded to support food security, green initiatives, skills, and employment

Extended Household Support Fund

Government funding of £2.4 million (Oct 2024–Mar 2025) was used to:

- Provide automatic vouchers (usually £100) to residents on Housing Benefit or Council Tax Reduction.
- Issue school holiday meal vouchers for children eligible for free school meals.
- Offer additional support through the discretionary Haringey Support Fund

Recruitment of Foster Carers

The "Everything" campaign aimed to recruit at least 30 additional foster carers in 2024/25, using a powerful film to encourage residents to transform children's lives through fostering

Celebrating Looked-After Children's Achievements

Over 100 children in care were honoured at the Haringey Education Achievement Awards 2024, held at Tottenham Hotspur Stadium, recognising their success in academics, leadership, and community involvement

Award-Winning Planning & Regeneration

In August 2024, the Planning team won "Local Authority Team of the Year" at the Planning Awards, and the Carbon Management team was commended. Their sustainable placemaking toolkit supports low-carbon development across the borough

HIGHLIGHTS AND ACHIEVEMENTS

The Council reports on its performance against the Corporate Delivery Plan every 6 months to Cabinet and Overview and Scrutiny Committees. Full details are published and includes:

- Launched the first dedicated Arts & Culture Strategy in 20 years (Oct 2024), setting a five-year roadmap ahead of the London Borough of Culture 2027. Emphasises is on partnerships and inclusivity, with a focus on youth creative pathways.
- Recognition at the MJ Awards 2024 – "Delivering Better Outcomes" for Haringey's bold plan to deliver 3,000 new council homes by 2031. Over 2,000 energy-efficient homes

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are now complete or in progress, reinforcing sustainable, affordable housing.

- Haringey's Planning team were named Local Authority Team of the Year at 2024 Planning Awards; also honoured for creating a London's Low-Carbon Development Toolkit alongside Hackney and London Councils
- The St Ann's New Neighbourhood received acclaim for best use of publicly owned land and the regeneration work in Tottenham is an example of community led planning through Tottenham Voices.
- The Education Achievement Awards 2024 at Tottenham Hotspur Stadium celebrated over 100 looked-after children aged 11–16 for their leadership, academics, and social impact.
- Haringey Community Showcase (Dec 2024) brought together more than 50 community groups, with Challenge Fund grants awarded. Highlighted success stories included Daughters United and Wheely Tots.
- Ranked 6th out of 25 London boroughs in the latest Good Parks for London. Haringey was noted for significant improvements in public satisfaction, events, community involvement, and strategic planning.
- Disability Action Haringey secured a £40,000 grant via Haringey Circle and ADOBE Foundation to reduce isolation through inclusive social activities.
- Custom walking and cycling route maps were launched for students using the SALI portal (Nov 2024), promoting healthier, low-carbon school journeys
- £2.7m capital funding from DfE has been used to create up to 50 additional SEND places.

POLITICAL STRUCTURE

As at the balance sheet date of 31st March 2025, the Council

consisted of 57 Councillors, split into 21 wards each represented by either 2 or 3 councillors.

The political composition of the Council at that time was:

- Labour 45
- Liberal Democrats 7
- Green 1
- Independent Socialist (Former Labour) 3
- Independent (non-aligned) 1

Full Council is where councillors decide the council's overall policies and set the budgetary framework each year.

Full Council meets 4 times a year, plus the annual meeting, and any other special meetings.

There are the key committees and boards that make decisions in the council. Cabinet is a key decision-making body appointed by the Leader of the Council. The Cabinet meets approximately every 4 weeks and there are currently 10 **Cabinet members**.

Supporting the work of the elected members is the Council's Leadership Team (CLT). At 31 March 2025, CLT comprises 6 Directors and led the Chief Executive:

- Director of Finance (S151 Officer)
- Director of Children's Services
- Director of Adult, Health & Communities
- Director of Environment & Resident Experience
- Director of Placemaking & Housing
- Director of Culture, Strategy & Engagement

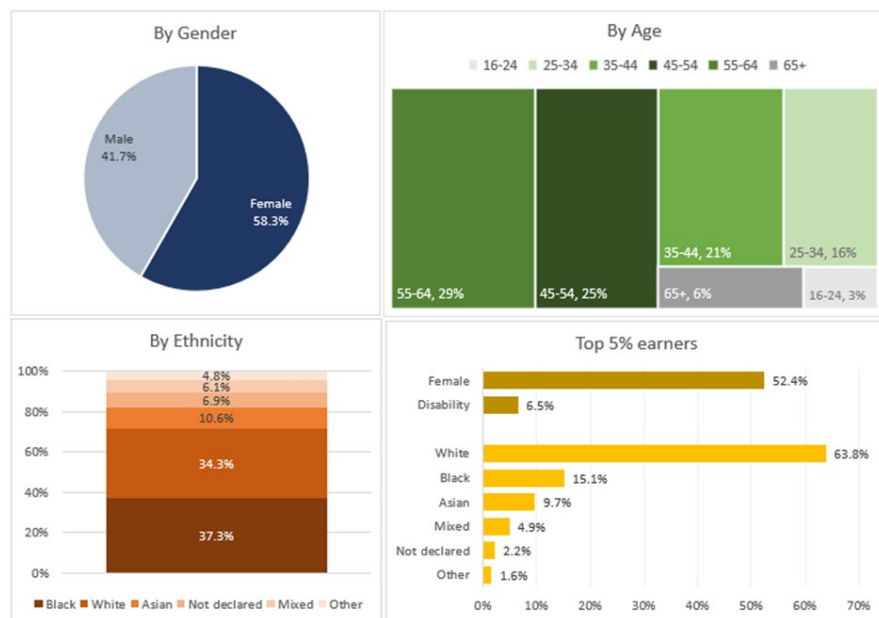
A new senior management structure was implemented from 1 April 2025 and the 2025/26 monitoring reports and Statement of Accounts will reflect the new structure which has reduce the number of directorates to 5.

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HARINGEY WORKFORCE

The Council now employs 3,620 people on full and part time contracts, equating to a full-time equivalent of 3,354 as at the end of 2024/25. This represents an 8% increase in the workforce compared with the workforce at the end of 2023/24. Filling of vacant positions and the insourcing of Leisure Centres are the main driving factors behind this increase.

The Haringey Council Employment Profile gives an overview of the organisation's workforce covering the various diversity strands such as disability, gender, ethnicity, and age. The profile helps us to understand the impact of people management practices on employees; to review and implement policy; and to enable the council to fulfil its obligations under the Equality Act 2010



Given the Council's financial position, staff numbers and costs are an area of review. All Directorates are required to make a 5% reduction in 2025/26 (£8.6m) and all new recruitment (permanent and temporary) is subject to approval by the Recruitment Panel.

THE COUNCIL'S STATEMENT OF ACCOUNTS

The Statement of Accounts for the London Borough of Haringey summarises the Council's financial transactions for 2024/25 and its position as at 31st March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (amended) in accordance with proper accounting practices. Proper practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), supported by International Financial Reporting Standards (IFRS). The format and content of the accounts is largely prescribed and is, in some parts, complex, although we try to balance the statutory reporting requirements with the desire to make them clear and understandable to all interested parties. The Statement of Accounts has been prepared on the basis that the council is a going concern; however, this is with the use of Exceptional Financial Support from Government in 2024/25 of £10m.

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FINANCIAL PERFORMANCE

Overview

Haringey Council is responsible for managing cash flows and assets totalling over £5.8bn.

Key figures for 2024/25 include:

- Gross revenue expenditure (spending on day-to-day services) of around £1.3bn.
- Income from fees, charges and grants of £856m.
- Billing of around £255m in council tax and business rates.
- Maintenance of fixed assets with a value approximately £3.7bn, including capital investment of £243m in housing, schools, highways and regeneration projects.
- Management of the £1.9bn Haringey Pension Fund.

The Council aims to minimise financing costs and maximise returns from surplus cash balances, within a low-risk treasury management strategy. The Strategy was reviewed and approved during the financial year. External borrowing at 31 March 2025 was £993m. In common with the rest of local government, the Council continues to operate within an environment of ongoing reductions in core funding and increasing demand for its services.

Against this backdrop, the Council has maintained sound financial stewardship whilst at the same time developed innovative and collaborative approaches to service delivery, transformation and regeneration to help ensure future financial sustainability.

Revenue spending in 2024/25

The Council's unearmarked general fund balance showed a stable position at the end of 2024/25 -£15.1m (£15.1m as at 31 March 2024).

The total general fund balances (including schools) were £52.2m on 31 March 2025 (£67.4m as at 31 March 2024). This decrease is attributed to the drawdown from earmarked reserves of £15.2m to cover the General Fund overspend for the 2024/25 financial year including £5.1m for transformation projects/service reorganisation and a worsening of the school deficit position by £1.1m.

Housing Revenue Account (HRA)

The Council owns approximately 16,000 homes which are managed through a separate ring-fenced account known as the Housing Revenue Account (HRA). During 2024/25, £132m was collected in rents and service charges (£116m in 2023/24) and revenue spending on repairs, maintenance and management was £84m (£75m in 2022/23). During 2024/25, capital investment in the housing stock was £160m (£159m in 2023/24). The HRA usable reserves were £20.2m as at 31 March 2025 (£21.1m at 31 March 2024).

Provisional Revenue Outturn Summary

The General fund reported a provisional services outturn to budget adverse variance of £37.83m. This is before the application of corporate underspends and use of contingency budget. The overall provisional outturn, including the corporate budgets is a balanced position after the application of £10m Exceptional Financial Support (EFS). The capitalisation direction allows the Council to capitalise the £10m revenue expenditures incurred in respect of the pressures. This is to be funded by borrowing.

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The dedicated school grant (DSG) and Housing revenue account (HRA) reported adverse variance of £1.44m and £3.63m respectively. It should be noted that the HRA closed 2024/25 with a circa £20.2m reserve.

The table below summarise the provisional revenue outturn.

Management Area	Revised 2024/25 Budget	Provisional Outturn	Revised Outturn to Budget Variance
	£'000	£'000	£'000
Children's Services	76,186	79,490	3,305
Adult & Social Services	79,721	95,547	15,826
Housing Demand, including temporary accommodation	23,457	33,268	9,810
Public Health	19,942	19,943	0
Environment & Resident Experience	19,128	18,342	(785)
Environment & Resident Experience Housing Benefit	(1,576)	5,135	6,711
Placemaking & Housing	4,101	6,845	2,744
Culture, Strategy & Engagement	13,548	13,447	(100)
Finance, Procurement and Audit	361	684	323
Directorate Service- Total	234,867	272,701	37,834
Capital Financing Charges	17,315	13,275	(4,040)
Contingency	10,147	2	(10,145)
Treasury Management Charges	13,264	12,848	(416)
Other Corporate Budgets	26,946	17,150	(9,796)
Corporate Budgets - Non-Service Total	67,672	43,275	(24,396)
General Fund-Directorate Service & Non-Service	302,539	315,976	13,437
External Finance	(302,539)	(305,976)	(3,438)
Exceptional Finance Support (EFS)	0	(10,000)	(10,000)
General Revenue Total	0	0	(0)
DSG	229,131	230,572	1,441
HRA	0	3,626	3,626
Haringey Total	0	4,025	4,025

Children's services reported an adverse variance of £3.3m. This is mainly driven by increased costs of placements, prevention, and early interventions.

Adult, Health & Communities reported an adverse variance of £15.8m. This mainly due to the ongoing increase in the demand for care and support; and increasing cost in care packages.

Housing Demand reported an adverse variance of £9.8m. This mainly due to huge increases in cost of Nightly paid accommodation and Bed and Breakfast, driven by shortage in accommodation.

Environment & Resident Experience – Housing Benefit reported an adverse variance of £6.7m. This is driven by two factors; unfunded spend on statutory Housing Benefit payments to Supported Exempt Accommodation (SEA) providers and a change in methodology for forecasting recovery of a significant debt, which has increased the bad debt provision (BDP) for 2024/25.

Placemaking & Housing reported an adverse variance of £2.7m. This is mainly due to increase in bad debt provision, and overestimation of rental and recharge incomes.

Dedicated School Grants & Schools reported an adverse variance of £1.4m. The main pressure remains in the High Needs Block which ended the year with a deficit of £2.5m. This was mitigated by is an in-year surplus on the Early Years Block of £1.1m.

The Housing Revenue Account reported adverse variance of £3.6m. HRA was budgeted to generate a surplus of £8.6m. At the end of the financial year, it generated £5.0m surplus. This is mainly driven by increase in cost of Legal Disrepair, tenants' compensation, & works payments.

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Capital Investment

Each year the Council approves its Medium-Term Financial Strategy (MTFS) which includes the Council's capital investment programme which spans the forward-looking five-year period. The Council has an ambitious capital programme of slightly under £1bn, over the 5-year period, to deliver on its priorities within the borough plan.

In 2024/25, £243m was invested in the council's capital programme including schools and HRA. Capital planning is, by its nature complex and often dependent on negotiation and external approvals. This means that the precise timing of spend is often uncertain.

Provisional Capital Outturn Summary

The Council's capital budget changed from that agreed by Council at its budget setting meeting in March 2024. A range of factors contribute to this movement: the incorporation of the previous year's brought forwards into the budget, new grants being received mid-year, and live budgeting which realigns and reprofiles resources in the light of scheme progress.

The General Fund (GF) capital programme reported an overall underspend of £21m. The Housing Revenue Account equally reported an underspend of £86m in its capital programme budget.

These are mainly due to delays in schemes and pausing of schemes. These were driven by the rises in cost of materials and high interest rates, impacting on viability of most schemes. It is expected that most of these schemes will progress in 2025/26 as inflation and interest rates starts to come down.

The table below summarises the provisional capital outturn.

Management Area	Revised 2024/25 Budget	Provisional Outturn	Revised Outturn to Budget Variance
	£'000	£'000	£'000
Children's Services	15,954	16,344	390
Adults, Health & Communities	7,444	6,778	(666)
Environment & Resident Experience	22,726	18,289	(4,437)
Placemaking & Housing	28,120	18,093	(10,027)
Culture, Strategy & Engagement	16,205	13,466	(2,739)
General Fund Total	90,449	72,970	(17,479)
HRA - Housing Revenue Account	246,331	159,939	(86,392)
Total	336,780	233,156	(103,624)
Enabling Budgets			
Placemaking & Housing(EB)	10,933	6,949	(3,984)
Total	10,933	6,949	(3,984)
Corporate Items - EFS	20,000	10,000	(10,000)
Corporate items - Contingency	2,443	0	(2,443)
OVERALL TOTAL	370,156	250,105	(120,051)

NARRATIVE REPORT

Haringey Council Balance Sheet Position for Single Entity 31 March 2025

The Council's net assets on the balance sheet decreased by **£318m** in 2024/25, the high-level movements being:

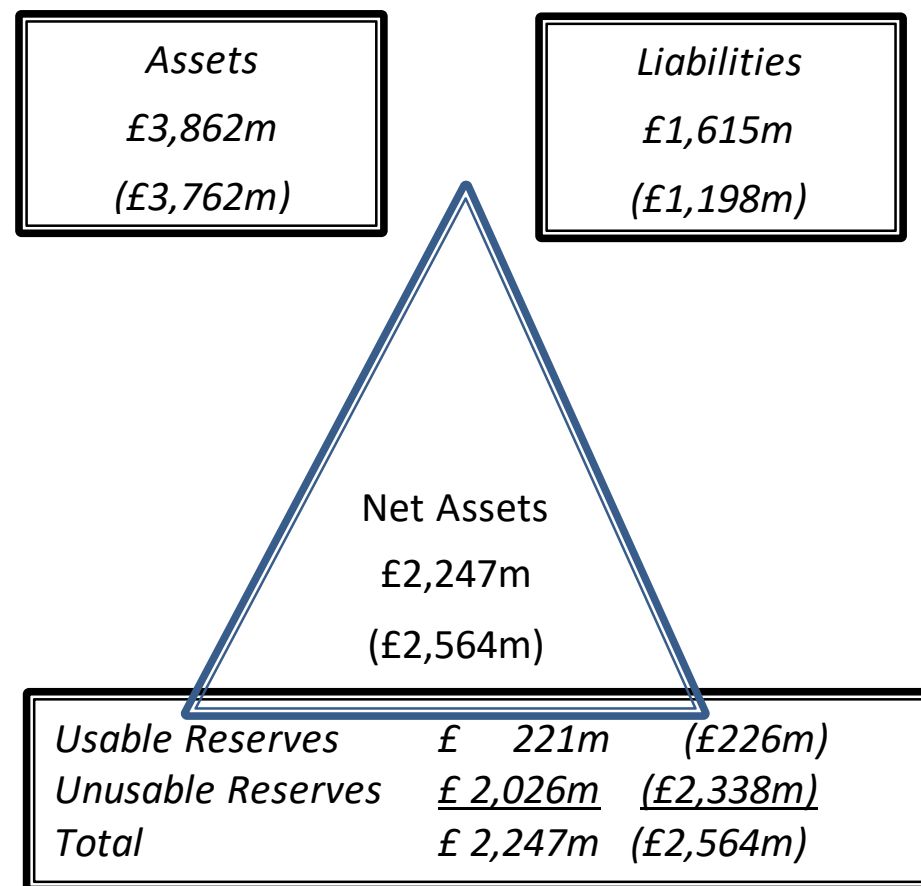
Favourable

- An increase of **£164m** from capital expenditure investments in property, plant, and equipment & investment property valuations, right-of-use assets in respect of IFRS 16 requirement (see below).
- A reduction in liabilities by **£18m** due to lower capital and revenue grants received in advance.
- A decrease in long and short-term Provision, boosting net assets by **£2m**.

Adverse

- Movements of **£300m** arising from the actuarial assumptions used in the valuation of the council's pension position. This has resulted in a change from a net defined benefit asset of £87m to a net defined benefit liability of £213m.
- An increase in long and short-term liabilities by **£164m** due to higher Council borrowing.
- An increase of **£25m** in long term liabilities as a result of the implementation of IFRS16 which requires the inclusion of the right-of-use assets and corresponding liability attributed to bringing operational leases into the balance sheet.
- A decrease of **£13m** in cash and cash equivalents, from £37m to £23m.
-

The following summarises the Council's single entity balance sheet as at 31 March 2025



(Figures in brackets relate to position at 31 March 2024)

NARRATIVE REPORT

Pension Liabilities

- The net pension liability of **£213m** in these accounts represents the difference between the estimated cost of pensions payable in the future (**£2,011m**), and the value of assets in the pension fund (**£1,798m**). This is calculated based on rules set by accounting standards and not on an actuarial basis which gives a more accurate estimate of the pension fund's financial position.
- The Pension Fund is revalued every three years to set future contribution rates. The previous valuation on which the accounts are based was at **31st March 2022**. The results of the valuation as at 31st March 2025 will be reflected in 25/26 and onwards.
- On an actuarial basis, the funding level at 31 March 2025 for Haringey Council was assessed as 89% (overall the Haringey Pension Fund was 129% funded).
- The revenue cost of pensions was £46.04m for the year (£44.44 in 23/24)

FINANCIAL OUTLOOK

The financial outlook for the Council and across the whole of the Local Government sector is challenging but particularly so for Haringey who is one of 30 authorities across the country that is relying on Exceptional Financial Support from Government to balance its budget.

Haringey is determined to be in control of its own destiny and in response to its own financial position, emergency response arrangements have been in place since early 2025 to deliver on a Financial Response and Recovery Plan which has the overall objective of reducing reliance on EFS in the future and improve the Council's financial resilience and sustainability.

The latest Medium Term Financial Strategy shows that there is a budget gap of £34m for 2026/27 and £122m across the years to

2029/30. This assumes that the £37m expected use of EFS in 2025/6 will continue to be borrowed year on year from the Government but no further EFS is required to balance the budget for future years. The ongoing borrowing of the £37m is not ideal but considered realistic at this stage given the new financial pressures the Council is dealing with over the next five years. The Council will continue to express its concern to Government that EFS and the impact this has on borrowing costs year on year is not a solution to dealing with the shortfall of funding in the sector.

The more than planned use of reserves in 2024/25 as one-off contributions for funding the service overspends means that balances are low for managing risks and uncertainties. Over the medium term, the Council's Reserves Policy will look to increase reserve balances for managing risks to a level which is more sustainable and to better protect against future uncertainties. A small contribution of £3m is assumed across the MTFS period to replenish the strategic budget planning reserve.

All reserves will be subject to review and a five-year forecast is in place that is reviewed annually as part of the budget setting process. For 2024/25, corporate contingencies were used to fund the overall overspend but going forward, any requirements will be monitored and reported in year.

The Council's capital programme is reviewed annually with a view to reducing the level of borrowing which data shows is high compared to our peers and as a percentage of our net budget with any proposals to remove / add schemes reported in the Autumn of each year for consultation in advance of the capital programme being agreed by Council in March of each year.

NARRATIVE REPORT

From 2025/26, the Council introduced an additional financial report for Cabinet and its Medium-Term Financial Strategy will be published each year to provide an update on the forward looking forecast and set the foundations and approach for balancing the budget in the forthcoming year. The latest will be presented to [Cabinet on 15 July 2025](#).

Work with Government to seek a fair funding deal for Local Authorities will continue and the Council will continue to respond to Government consultations, stressing the importance of recognising Council's as a key partner in delivering local services but that meeting statutory requirements with the current level of Government funding is becoming increasingly difficult.

We know that more of our residents are living longer and/or often have more complex needs which continues to put pressure on our Adult Social Care and children's social budgets.

Shortage of accommodation and increase in demand across London has put much pressure on our homelessness budget. The use of bread and breakfast and nightly paid accommodation, which comes at a huge cost, is still high. Plans are in place to mitigate this pressure by increasing the supply of permanent homes through our housing delivery and acquisition programmes as well as £488m of investment into our existing stock over the next five years. This is all at a time when our Housing revenue accounts (HRA) is facing financial viability challenges in the short to medium term. Another key area of future challenge is around Council's compliance to changes in changes in building safety and fire safety acts.

Although a balanced budget has been set for 2025/26 on the General Fund with an assumed £37m use of Exceptional Financial Support from the Government, there are several risks and uncertainties facing

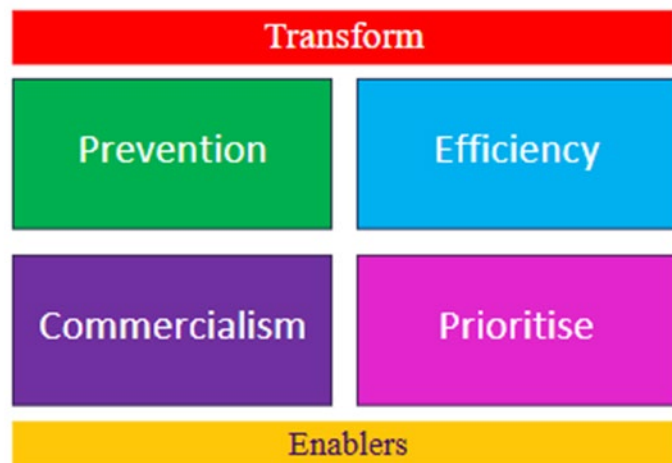
the Council from this increased demand and price of services and the impact of economic factors of inflation and interest rates which, although have come down are still above the Government's target of 2%.

It is therefore important that the Council takes a prudent approach in the assumptions it uses to set the budget each year and its medium-term outlook, that these are based on data and evidence known but that remain under regular review. Corporate contingency included within the budget for 2025/26 is held of £10m to manage these risks, alongside a general fund balance being retained at £15.2m and this level is unlikely to reduce across the term of the Medium-Term Finance Strategy.

Work has already commenced on planning for 2026/27 budget and although the focus is on next year, the publication of a three-year multi-settlement from Government will enable the Council to move to an approach that looks to improve financial sustainability across the medium term.

The process commenced with the Budget Series sessions to identify new savings options (reduce costs and increase income) and these have been considered in accordance with the four financial sustainability lenses shown in the graphic and with an overarching theme of transformation and service re-design.

NARRATIVE REPORT



Prevention

Aimed at reducing the high expected demand for social care and housing services expected over the medium term, it is critical that the Council has a greater focus on prevention and early intervention. There is evidence that supporting people at an earlier stage leads to better outcomes for the individuals as well as reducing costs to the Council.

Efficiency

Achieving efficiencies must be part of the annual budgeting setting process across all services to ensure value for money. This will include modernising the way we work and deliver services, reducing and removing waste and consolidating and streamlining processes to consider how we achieve the same value with less resource or deliver more value for the same resource.

Commercialism

Increasing income provides an opportunity to protect the Council's spending on priority services. An annual review of fees and charges to reflect full cost recovery will be undertaken and will include an improvement in internal processes to ensure income due can be collected as well as making it easier for residents, businesses and visitors to make payment through increased use of technology and digital channels. The Council will also consider opportunities on how the Council can generate additional revenue through greater utilisation of its assets and services, through partnership and shared working across the public and the private sector, maximising opportunities for external funding and considering alternative arrangements for protecting service delivery such as shared services.

Prioritise

With a legal requirement to set a balanced budget each year and to minimise the use of Exceptional Financial Support, a smaller financial envelope will mean that some prioritisation of services will be required because not everything may be affordable. Protecting services for the most vulnerable will always be a priority and any prioritisation of services will be within the context of the Corporate Delivery Plan.

Further details on this approach are set out in the [latest Medium Term Financial Strategy](#)

The delivery of agreed savings of £30m set out in the March 2025 MTFS budget report will be critical to the Council retaining spend in line with the budget and a strengthened monitoring and reporting process has been established to improve the 68% delivery in 2024/25 and reduce the savings not delivered in year.

NARRATIVE REPORT

Our strategic application of the flexible use of capital receipts will help us to fund one-off investment to deliver the sustained revenue savings built into our MTFS.

Whilst we recognise that we will continue to face challenging times, we will continue to focus on our key role in building strong communities, using the resources at our disposal to support economic growth and tackle inequality.

HRA

Our Housing Revenue Account (HRA) presents a complex financial outlook, with a mix of challenges and potential for improvement. While our longer-term projections offer a degree of optimism, the immediate financial pressures and the need for increased investment in existing homes remain significant.

The HRA's 30-year financial plan suggests a potential for surpluses in the long term. However, there are significant short-term deficits and financial strain on maintenance of our housing stock. These pressures are largely due to a combination of rising costs, interest rates, government policies/we regulations for social housing providers, and the need for increased investment in housing stock.

2025/26 is particularly challenging as our budgeted surplus is many millions way of our ideal £8m year on year minimum. We are working to ensure that in-year savings are identified while the already agreed savings are delivered. There is a quarterly monitoring and reporting of the 30-year plan in place.

DSG/SCHOOLS

Whilst there has been investment in schools nationally, Haringey schools like most of London has been seeing a fall in pupil number which largely has resulted in a small increase in funding and not enough to cover the broader cost increases in schools. Haringey continue to make positive progress in managing down the deficit on the High Needs Block (HNB) within the Department for Education agreed Safety Valve Programme, though many of the larger savings to be delivered are expected to be realised in the final two years of the programme, where significant risk remain.

RISK MANAGEMENT

The Risk Management Strategy has been reviewed and updated to ensure it continues to provide robust governance to support risk management across the Council. With the level of risk and uncertainty facing the Council, going forward, risk management across the organisation will continue to be strengthened. Corporate risks are reviewed quarterly and reported through Corporate Leadership Team and the latest Corporate Risk Register will be considered by Audit Committee in July 2025 and can be found here, however, further work is required on the monitoring and reporting of Directorate risk registers.

The main risk, in the context of this statement of accounts, is the financial pressure under which the Council found itself.

NARRATIVE REPORT

EXPLANATION OF THE KEY ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Council's income and expenditure for the year and its financial position as at 31 March 2025. It comprises core and supplementary statements together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

The Core Statements comprise:

- The **Comprehensive Income and Expenditure Statement** – this statement records all the Council's income and expenditure for the year. The top half of the statement shows the cost of providing services, analysed across the Council's priorities. The bottom half of the statement deals with corporate transactions and funding.
- The **Movement in Reserves Statement** is a summary of the changes in the Council's reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable', which must be set aside for specific purposes.
- The **Balance Sheet** is a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The council's net assets are matched by its reserves. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services. The second category of reserves is those that the authority is not able to use to provide services. This includes reserves that hold unrealised gains and losses (for example the

revaluation reserve), where amounts would only become available to provide services if the assets are sold) and reserves that hold timing differences shown in the 'adjustments between accounting basis and funding basis' Note.

- The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year and whether the change is due to operating activities, new investment or financing activities (such as borrowing and other long-term liabilities)

The **Group Accounts** combine the financial activities for the Council for the year with those of Homes for Haringey and Alexandra Park and Palace Charitable Trust, both of which are treated as subsidiaries of the Council.

The Supplementary Financial Statements comprise:

- The **Housing Revenue Account** – this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989
- The **Collection Fund** summarises the collection of council tax and business rates, and the distribution of that money between the Council, the Greater London Authority (GLA) and central government.
- The **Pension Fund Account** reports the contributions received, the payments made to pensioners and the value of net assets invested in the Local Government Pension Scheme on behalf of Council employees, past and present.

NARRATIVE REPORT

Also published with the Statement of Accounts is the **Annual Governance Statement** (AGS). The AGS sets out the governance structure of the Council and its key internal controls.

FEEDBACK

We are always seeking to improve our Statement of Accounts through engaging with our residents, members, colleagues, readers of our statement of accounts, and other stakeholders.

If you have any feedback on any aspect of the statement of accounts or ideas on how we can improve the presentation, please contact us at finalaccounts@haringey.gov.uk

We appreciate your feedback. Should you require any part of this document in a different format or would like to discuss the content of any graphics or tables, please email finalaccounts@haringey.gov.uk

We will consider your request and get back to you within 10 working days. Also copies of this statement of accounts can be obtained by contacting: finalaccounts@haringey.gov.uk

INDEPENDENT EXTERNAL AUDITOR'S REPORT

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF THE COUNCIL OF LONDON BOROUGH OF HARINGEY**

**REPORT ON THE AUDIT OF THE COUNCIL'S FINANCIAL
STATEMENTS**

INDEPENDENT EXTERNAL AUDITOR'S REPORT

INDEPENDENT EXTERNAL AUDITOR'S REPORT

INDEPENDENT EXTERNAL AUDITOR'S REPORT

STATEMENT OF RESPONSIBILITIES

The Council's responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, the Chief Financial Officer is the Corporate Director of Finance & Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code of Practice.

The Chief Financial Officer has also:

- kept proper accounting records which are up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification by Chief Financial Officer

I certify that the accounts give a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year then ended.



Taryn Eves
Corporate Director of Finance & Resources (S151 Officer)

30 June 2025

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Single Entity	2024/25			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	163,222	(73,349)	89,874	156,915	(62,380)	94,535
Adults, Health & Communities	276,020	(150,135)	125,886	246,925	(129,976)	116,949
Environment & Resident Experience	264,819	(227,692)	37,127	99,494	(60,926)	38,568
Placemaking & Housing	22,732	(8,951)	13,781	33,826	(9,558)	24,268
Culture, Strategy & Engagement	29,377	(7,690)	21,687	201,269	(181,071)	20,198
Corporate Budgets - Service	4,139	(6,260)	(2,120)	4,435	(4,215)	220
Corporate Budgets - Non Service	38,795	(16,578)	22,217	25,523	(17,043)	8,480
Dedicated Schools Grant	232,966	(233,011)	(45)	217,480	(219,477)	(1,997)
Housing - HRA	267,567	(131,904)	135,663	209,289	(115,612)	93,677
Cost of Services	1,299,637	(855,569)	444,069	1,195,156	(800,258)	394,898
Other operating expenditure (Note 7)	12,011	(4,787)	7,224	8,654	(18,813)	(10,159)
Financing and investment income and expenditure (Note 8)	47,153	(14,091)	33,062	51,105	(14,284)	36,821
Taxation and Non-Specific Grant Income (Note 9)		(353,395)	(353,395)		(353,906)	(353,906)
(Surplus) or Deficit on Provision of Services	1,358,801	(1,227,842)	130,959	1,254,915	(1,187,261)	67,654
(Surplus) or deficit on revaluation of property, plant and equipment (Note 20)			(125,717)			(14,996)
Remeasurement of net defined benefit liability (Note 20,36)			312,417			(119,338)
Other Comprehensive Income and Expenditure			186,700			(134,334)
Total Comprehensive Income and Expenditure			317,659			(66,680)

*From 1st April 2024/25, the Revenues & Benefits Service moved from Culture, Strategy & Engagement to Environment & Residence Directorate

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Group Accounts	2024/25			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	163,222	(73,349)	89,874	156,915	(62,380)	94,534
Adults, Health & Communities	276,020	(150,135)	125,886	246,925	(129,976)	116,949
Environment & Resident Experience	264,819	(227,692)	37,127	99,494	(60,926)	38,568
Placemaking & Housing	22,732	(8,951)	13,781	33,826	(9,558)	24,267
Culture, Strategy & Engagement	29,377	(7,690)	21,687	201,269	(181,071)	20,198
Corporate Budgets - Service	27,757	(42,718)	(14,961)	28,828	(28,368)	461
Corporate Budgets - Non Service	38,795	(6,260)	32,535	25,523	(17,043)	8,480
Dedicated Schools Grant	232,966	(233,011)	(45)	217,480	(219,477)	(1,997)
Housing - HRA	267,635	(131,905)	135,730	214,088	(120,411)	93,677
Cost of Services	1,323,323	(881,710)	441,614	1,224,348	(829,211)	395,137
Other operating expenditure	12,011	(4,787)	7,224	8,654	(18,813)	(10,159)
Financing and investment income and expenditure	47,153	(14,149)	33,004	51,248	(14,517)	36,731
Taxation and Non-Specific Grant Income		(353,395)	(353,395)	181	(353,906)	(353,725)
(Surplus) or Deficit on Provision of Services	1,382,487	(1,254,041)	128,446	1,284,430	(1,216,446)	67,984
(Surplus) or deficit on revaluation of property, plant and equipment			(100,091)			(8,447)
Remeasurement of net defined benefit liability (Note 36)			311,906			(119,753)
Other Comprehensive Income and Expenditure			211,815			(128,200)
Total Comprehensive Income and Expenditure			340,261			(60,216)

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Major Repairs Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Single Entity Reserves £'000	Group Reserve £'000	Total Group Reserves £'000
2024/25										
Balance as at 31/03/2024	(67,449)	(22,398)	(74,464)	(62,175)	0	(226,485)	(2,337,900)	(2,564,385)	(130,913)	(2,695,298)
<u>Movement in reserves during 2024/25</u>										
Total Comprehensive Income and Expenditure	31,124	99,835	0	0	0	130,959	186,700	317,659	22,602	340,261
Adjustments between accounting basis & funding basis under regulations (note 10)	(15,920)	(102,781)	(12,434)	5,354	0	(125,781)	125,781	0	0	0
(Increase) / Decrease in 2024/25	15,204	(2,946)	(12,434)	5,354	0	5,178	312,481	317,659	22,602	340,261
Balance as at 31/03/2025 carried forward	(52,244)	(25,345)	(86,898)	(56,821)	0	(221,306)	(2,025,419)	(2,246,727)	(108,311)	(2,355,038)
2023/24										
Balance as at 31/03/2023	(97,232)	(21,567)	(52,419)	(55,902)	(15)	(227,134)	(2,270,569)	(2,497,705)	(137,379)	(2,635,084)
<u>Movement in reserves during 2023/24</u>										
Total Comprehensive Income and Expenditure	29,740	37,914	0	0	0	67,654	(134,334)	(66,680)	6,466	(60,214)
Adjustments between accounting basis & funding basis under regulations (note 10)	43	(38,744)	(22,045)	(6,273)	15	(67,004)	67,004	0	0	0
(Increase) / Decrease in 2023/24	29,783	(830)	(22,045)	(6,273)	15	650	(67,330)	(66,680)	6,466	(60,214)
Balance as at 31/03/2024 carried forward	(67,449)	(22,398)	(74,464)	(62,175)	0	(226,485)	(2,337,900)	(2,564,385)	(130,913)	(2,695,298)

BALANCE SHEET

	Notes	Single Entity		Group Accounts	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		£'000	£'000	£'000	£'000
Property, Plant and Equipment	12	3,526,982	3,365,496	3,635,623	3,497,190
Heritage Assets		6,227	6,217	6,227	6,217
Investment Property	13	118,016	114,981	118,016	114,981
Intangible Assets		12,862	13,281	12,862	13,281
Long-term Debtors	14,16	9,198	9,317	4,156	3,734
Pension Assets	36	0	87,281	2,625	89,395
Long Term Assets		3,673,285	3,596,573	3,779,509	3,724,799
Short-term Investments	14	39	19	39	19
Inventories		675	647	876	850
Short-term Debtors	16	164,116	128,913	158,968	129,986
Cash and Cash Equivalents	17	23,214	36,545	30,125	42,725
Current Assets		188,044	166,124	190,008	173,581
Short-term borrowing	14	(120,180)	(110,422)	(120,180)	(110,422)
Short-term Creditors	18	(213,784)	(178,737)	(213,661)	(183,505)
Grants Receipts in Advance	30	(80,628)	(94,708)	(80,628)	(94,709)
Provisions	19	(10,031)	(13,938)	(10,031)	(13,938)
Current Liabilities		(424,622)	(397,806)	(424,499)	(402,574)
Long-term Creditors	18	(16,724)	(16,974)	(16,724)	(16,974)
Provisions	19	(16,791)	(14,741)	(16,791)	(14,741)
Long-term Borrowing	14	(873,113)	(719,243)	(873,113)	(719,243)
Pension Liabilities	36	(213,026)	0	(213,026)	0
Other Long Term Liabilities - PFI and Finance Leases	14	(52,874)	(27,781)	(52,874)	(27,781)
Grants Receipts in Advance - Capital	30	(17,452)	(21,768)	(17,452)	(21,768)
Long-term Liabilities		(1,189,980)	(800,507)	(1,189,980)	(800,507)
Net Assets		2,246,727	2,564,385	2,355,038	2,695,298
Usable Reserves		(221,307)	(226,485)	(251,599)	(255,093)
Unusable Reserves	20	(2,025,420)	(2,337,900)	(2,103,439)	(2,440,205)
Total Reserves		(2,246,727)	(2,564,385)	(2,355,038)	(2,695,298)

CASH FLOW STATEMENT

		Single Entity		Group Accounts	
		2024/25	2023/24	2024/25	2023/24
	Note	£'000	£'000	£'000	£'000
Net surplus or (deficit) on the provision of services		(130,959)	(67,653)	(128,446)	(67,984)
Adjustments to net surplus or (deficit) on the provision of services for non-cash movements	21	223,333	235,928	224,927	236,929
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	21	(87,707)	(120,048)	(87,707)	(120,048)
Net cash flows from Operating Activities		4,667	48,227	8,774	48,897
Investing Activities	22	(149,606)	(143,738)	(152,982)	(145,232)
Financing Activities	23	131,608	27,180	131,608	27,180
Net increase or (decrease) in cash and cash equivalents		(13,331)	(68,331)	(12,600)	(69,155)
Cash and cash equivalents at the beginning of the reporting period		36,545	104,876	42,725	111,880
Cash and cash equivalents at the end of the reporting period		23,214	36,545	30,125	42,725

NOTES TO THE STATEMENTS

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003].

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Accrual de minimis are generally £20,000 (revenue) and £50,000 (capital). However, where it is clear that the total owed or due from a single supplier/customer exceeds these amounts, an accrual will be raised. Exceptions to these levels are made where expenditure is funded by a time-limited grant.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in a specified period no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of changes in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.4 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance called Minimum Revenue

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Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement (MiRS) for the difference between the two.

1.5 Collection Fund

The council act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. The council is required by statute to maintain a separate fund (ie the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, the council, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is

written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.6 Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages, salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave e.g., time off in lieu) earned by employees, but not taken before the year-end which employees can carry forward into the next financial year. The accrual is calculated at the wage and salary rates applicable in the following accounting year being the period in which the employee takes the benefit, with interim values on an estimated basis. To prevent fluctuations from impacting on council tax, the year-on-year change in cost generated by this accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the MiRS so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The Council has concluded that there is no material benefit in undertaking an annual determination of the accrual and has established a policy to undertake a review of the accrual every three years unless, in the intervening period, there is evidence of a change in circumstances which would materially affect the amount to be disclosed. In the absence of a significant change in staff numbers/inflation in the intervening period, the accrual would be

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uplifted based on the change in staff numbers. A review was done in 2023/24 to calculate the amount in this year's accounts. The next full recalculation will be in 2026/27.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service line in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are predominantly members of two separate pension schemes:

- the Local Government Pensions Scheme (LGPS), administered by Haringey Council and
- the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education

(DfE)

Both schemes provide defined benefits to members (which include annual pensions and other benefits) earned as employees worked for the Council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

i. The Local Government Pension Scheme

All employees (other than teachers) subject to certain qualifying criteria are able to join the Local Government Pension scheme (LGPS). The Scheme is accounted for as a defined benefit scheme. The Scheme is known as the London Borough of Haringey Pension Fund and is administered by Haringey Council in accordance with the Local Government Pension Scheme Regulations 2013 (and other LGPS Regulations) on behalf of all participating employers.

The liabilities of the Haringey pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees. Liabilities are discounted to their value at current prices.

The assets of Haringey pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unlisted securities - current bid price

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- property - market value

The change in the net pension's liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES
- Net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

- Contributions paid to the Haringey Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year not the amount calculated according to the relevant accounting standards.

In the MiRS, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

ii. Teachers' Pension Scheme

This scheme is administered by Capita Teachers' Pensions, on behalf of the Department for Education (DfE). Although the scheme is unfunded, the Government operates a notional fund as the basis for calculating employers' contributions. This scheme is accounted for on a defined contribution basis – no liability for future payments is recognised in the Balance Sheet and the Children's Services line in the CIES is charged with the employer's contributions payable in the year. In addition, the Council is responsible for any payments relating to early retirements outside of the standard scheme. This scheme holds no assets.

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Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- a) Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- b) Those that are indicative of conditions that arose after the reporting period – the financial statements are not adjusted to reflect such events but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.8 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and

Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the MiRS.

Financial Assets

Financial assets are initially measured at fair value and carried at their amortised cost. Annual credits to the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and accrued interest, and the interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income

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and expenditure line in the CIES.

Expected credit loss model

The Council recognises expected credit losses on all its financial assets held at amortised cost, either on a 12-month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors) held by the Council. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed based on 12-month expected losses.

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis.

1.9 Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

1.10 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

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- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contributions have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.11 Interests in companies and other entities

The Council has reviewed its key financial relationships and assessed them against the Code of Practice and deemed the following to be within the Haringey group; Homes for Haringey Limited (HfH) and Alexandra Park and Palace Charitable Trust (APPCT). Therefore, consolidated Group accounts have been

created in which all intra-group transactions have been removed. Investments in subsidiaries are held at cost less impairment.

1.12 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MiRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

1.13 Leases

The Council as lessee

The council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through

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rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use. The leases are typically for fixed periods in excess of one year but may have extension options.

The council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date.
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the

underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee

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- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the council excludes low value and short leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore

appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement

The Council as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement)

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The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.14 Property, Plant and Equipment

Assets that have a physical substance and are held for operational reasons i.e., in the production or supply of goods and services or for administrative purposes are classified as property, plant and equipment. This category excludes certain assets such as properties which are held solely for the purpose of generating financial return (Investment Properties and Assets for Sale).

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The Council has a capitalisation threshold of £10,000 and allows the capitalisation of staffing costs that are directly associated with delivering of the capital schemes.

Measurement

Assets are initially measured at cost, comprising:

- the purchase prices
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst

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assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings at current value, determined using the basis of existing use value for social housing (EUV-SH)
- school buildings, libraries, children centres, leisure centres, care homes – current value but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets at fair value, estimated at highest and best use from a market participant's perspective
- all other assets at current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value.

Prior to 1 April 1994, the carrying value of Infrastructure assets was deemed to be balance sheets at amounts of capital undischarged for sums borrowed as at the end of the 1993/94 financial year. This was

deemed at that time to be historical cost. Subsequently, expenditure of acquisition and enhancement incurred after this date were added to form the carrying values. Local authorities are therefore unable to accurately identify the gross cost and accumulated depreciation of Infrastructure assets.

Subsequent changes in value

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and

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any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, the accounting treatment applied is outlined above.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss and adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated, after the year of acquisition or enhancement, on the following basis:

- Council Dwellings and operational buildings – straight-line allocation over the useful life of the property as estimated by the Valuer, within the range of 20 to 60 years.
- Vehicles, plant and equipment – straight-line allocation over the useful economic life of the asset, within the range of 3 to 7 years.
- Infrastructure – based on the useful economic life of the asset, within the range of 5 to 88 years.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

Componentisation of valuations

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components should be depreciated separately.

There are a number of circumstances where componentisation will not apply, including:

- Vehicles and Equipment (immaterial)
- Infrastructure assets
- Investment properties are not depreciated but will be considered for componentisation where enhancement expenditure is incurred.

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022, when expenditure is incurred on an Infrastructure asset being replaced, the carrying amount to be derecognised is nil since these assets are rarely replaced before the part has been fully consumed.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and their recoverable amount at the date of the decision not to sell.

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When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals are payable to the Government. The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the MiRS.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

Schools Assets

The council has schools in the following categories: community schools, foundation schools, voluntary aided schools, voluntary controlled schools and academies. Community and foundation schools are treated on Balance Sheet based on the risks and rewards the council is deemed to have, and voluntary aided schools and academies are excluded from the council's Balance Sheet. This means that the council recognises the Property, Plant and Equipment of the following categories of locally maintained schools in the

financial statements:

- Community and community special schools
- Foundation and Foundation Trust schools (other than those owned by religious bodies)
- Voluntary controlled schools (where land & building are owned by the council)

The Property, Plant and Equipment of voluntary aided schools are not recognised in the council's financial statements. In most cases, the council has ownership of the playing fields for these categories of schools, which are recognised on the council's balance sheet.

This issue is under constant review and is updated in line with guidance from CIPFA.

Schools Income and Expenditure

All locally maintained schools (i.e. community, foundation, voluntary controlled, voluntary aided, community special and foundation special schools) are deemed to be under the Council's control. For this reason, schools' transactions and balances attributable to the governing bodies are consolidated into the Council's financial statements, applying accounting policies for recognition and measurement consistent with those applied by the Council to its own income, expenditure, cash flows, assets and liabilities. Transactions and balances between the Council and the schools have been eliminated. Assets provided to a school without the right to continuing use, such that they can be taken back by the owners at some point, are not recognised in the Council's financial statements.

Academy and free schools are independently managed. None of these schools' income and expenditure, assets, liabilities, or reserves are included within the Council's financial statements.

NOTES TO THE STATEMENTS

1.15 Provisions, Contingent liabilities, and assets

Provisions are made where a past event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

A contingent liability arises where a past event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured

reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed as a note to the accounts.

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.16 Reserves

The Council maintains a range of reserves, reflecting both the extent to which its overall assets exceed its liabilities and any restrictions either statutory or voluntary which are placed upon the usage of these balances. The Council has discretion to set aside specific amounts as reserves to earmark available funds for future policy purposes, to cover contingencies or manage cash flow.

Reserves are created by appropriating amounts out of the General Fund Balance in the MiRS. When expenditure to be financed from a reserve is incurred it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS so that there is no net charge against Council Tax for the expenditure.

A number of reserves exist to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies and notes.

NOTES TO THE STATEMENTS

1.17 Revenue expenditure funded from capital under statute (REFCUS)

REFCUS expenditure represents expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in a Council asset being created. The expenditure may support a third party's asset (e.g. home improvement grants) or may be capitalised based on a capitalisation order from the Government. This expenditure is charged to the relevant service within the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or borrowing, a transfer is undertaken by charging to the Capital Adjustment Account and crediting the General Fund Balance in the MiRS. The purpose of this is to enable the expenditure to be funded from capital resources rather than charged to the General Fund and impact on the level of Council Tax.

1.18 Revenue recognition

Income received by the Council is recognised in accordance with the relevant financial regulations and accounting standards. The major income streams include Council tax, business rates, housing rents and parking income.

Council tax and business rate income included in the CIES is the total of the precept on the collection fund and the Council's share of the surplus/deficit on the collection fund at the end of the current year, adjusted for the Council's share of the surplus/deficit on the fund at the preceding year end that has not been distributed or recovered in the current year.

Housing Rent income included in the CIES is the total of all rent charged to tenants for Council Housing. The rents have been based on a formula prescribed by Government. The formula creates a "formula rent" for each property, which is calculated based on the relative value of the property, relative local income levels and the size

of the property. Landlords are expected to move the actual rent of a property to this formula rent, when the property is re-let following a vacancy.

1.19 Service Concession Arrangements

Private Finance Initiative (PFI) and similar contracts are agreements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. The Council has several schools subject to PFI contracts, albeit the current PFI scheme is suspended. The PFI buildings for maintained schools are shown on the Council's balance sheet. The buildings for the voluntary aided, voluntary controlled, foundation and academy schools are derecognised as the control of the right to use the buildings has passed to the school trustees and foundation bodies. The PFI liabilities are in respect of all PFI schools, regardless of the school's status, and remain on the Council's balance sheet as the Council is the party to the contract with the PFI Operator. The Council continues to receive government support in the form of a grant which is used to meet current and future liabilities in respect of the PFI scheme.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operator consist of

- a) Finance cost - an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- b) Payment towards liability - applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- c) contingent rent – increases in the amount to be paid for the

NOTES TO THE STATEMENTS

liability arising during the contract, debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

1.20 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.21 Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

2. Accounting Standards Issued, but not yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not adopted.

1. IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable
2. IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts

3. The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The Council incorporates its subsidiaries, Homes for Haringey, and Alexandra Palace Charitable Trust within these accounts to present group financial statements. They are consolidated on the basis of control over relevant activities. Please refer to Note 38 for further details.

In calculating the net pensions asset, the Council has made a judgement that the statutory framework for setting employer's contributions under its pension schemes constitutes a minimum funding requirement. The council has determined that the accounting standards (IFRIC 14 IAS 19), have set a ceiling on the amount that can be disclosed as an asset. These restrict the current realisability of the surplus through the reductions in future employer's contributions. The asset ceiling has been factored into the

NOTES TO THE STATEMENTS

calculations by the actuaries and reflected in the valuations in the accounts. This has resulted a defined benefit liability for the council's Pension Scheme as at 31 March 2025. Please refer to note 36.

4. Assumptions made about the future and other major sources of estimation uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet as at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are:

Non-Current Assets

The council's Property Plant and Equipment (PPE) are held on a long- term basis and require regular valuation to ensure the council's financial statements accurately reflect the true worth of its assets. Valuations are undertaken by qualified professionals (note 12) to provide up-to-date assessments using accepted valuation bases and methods.

Investment property, surplus assets and assets held for sale were valued at fair value. The objective of this measurement approach is

to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions.

In respect of operational non-specialised properties, the current value for the assets has been interpreted as the amount that would be paid for the asset in its existing use. The valuers have met this requirement by providing a valuation based on existing use value (the value agreed between a willing buyer and a willing seller for an owner-occupied property/premises).

In respect of specialised properties, the valuers have adopted the depreciated replacement cost (DRC) method of valuation to assess current value in existing use. This method provides the cost of replacing an asset with its modern equivalent asset using the 'instant build' (or overnight) approach at the valuation date.

Broadly, it has been assumed for each valuation, that there are no encumbrances to title; buildings are in a 'fair' condition; building services are in working order; there are no planning or statutory constraints; there is no contamination or hazardous substances; and there are no environmental or sustainability factors that may affect the property's value.

The net book value of non-current assets subject to potential revaluation is £3.10 billion.

A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's land and buildings were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement of approximately £125m.

NOTES TO THE STATEMENTS

An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

A reduction in the estimated value of HRA dwellings would be a reduction in the revaluation reserve or a loss in the CIES. If the value of dwellings were to reduce by 10%, this would lead to a reduction in value of about £175m.

An increase in estimated valuations would result in increases to the Revaluation Reserve or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

The requirement to implement IFRS 16 Leases has resulted in the recognition of operating leases as right-of-use assets and the corresponding liabilities in the Balance Sheet (subject to certain exceptions). The right of use assets is equivalent to the estimate of the present value of lease liabilities discounted at the council's incremental rates based on the remaining terms of leases. This involves a number of assumptions detailed in note 33.

Pension Fund Asset/Liability

The net pensions assets/liability is estimated by professional actuaries based on complex assumptions relating to the discount rate used; the rate at which salaries are projected to increase; changes in retirement ages; mortality rates and expected returns on pension fund assets. Any variation in these assumptions would lead to a significant change in the value of the net pension asset/liability. During 2024/25, the Council's actuaries advised that the net pensions position has moved from a net pension asset of £87m to a

net defined benefit liability of £213m as a result of estimates being revised and the updating of assumptions. Please refer to note 36 for details.

Impairment allowance for doubtful debt

As at 31 March 2025, the Council had an outstanding balance of short-term debtors totalling £337m. Against this debtors' balance, there is an impairment allowance of £173m, £30m on account of expected credit loss for non-statutory debt and £143m for incurred credit loss on statutory debt. It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The economic impact of the high inflation and cost of living crisis has made it more difficult to estimate the debt impairment as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts. Please refer to Note 16.

Provision for Business Rates Appeals

The value of National Non-Domestic Rates (NNDR) income included in the accounts is reduced by a provision for the estimated value of appeals against valuation decisions. These estimates have been calculated using information from the Valuation Office Agency on outstanding appeals and experience of successful appeal rates.

NOTES TO THE STATEMENTS

5. Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2025. There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

NOTES TO THE STATEMENTS

6. Expenditure Funding Analysis and Notes

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Single Entity	2024/25			2023/24		
	Expenditure chargeable to GF and HRA balances	Adjustments between funding and accounting basis	Net expenditure in the CIES	Expenditure chargeable to GF and HRA balances	Adjustments between funding and accounting basis	Net expenditure in the CIES
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	81,271	8,603	89,874	85,019	9,515	94,534
Adults, Health & Communities	113,453	12,433	125,886	110,064	6,885	116,949
Environment & Resident Experience	21,564	15,563	37,127	23,627	14,941	38,568
Placemaking & Housing	9,360	4,421	13,781	10,753	13,514	24,268
Culture, Strategy & Engagement	3,873	17,814	21,687	15,947	4,250	20,198
Corporate Budgets - Service	1,468	(3,589)	(2,120)	3,704	(3,483)	221
Corporate Budgets - Non Service	7,416	14,801	22,217	6,354	2,126	8,480
Dedicated Schools Grant	0	(45)	(45)	0	(1,997)	(1,997)
Housing - HRA	(16,654)	152,317	135,663	(10,779)	104,455	93,676
Net Cost of Services	221,751	222,318	444,069	244,689	150,207	394,897
Other income and expenditure	(209,493)	(103,617)	(313,109)	(215,737)	(111,506)	(327,244)
(Surplus) or Deficit on Provision of Services	12,258	118,702	130,959	28,952	38,701	67,653
Opening General Fund and HRA Balances	(89,848)			(118,798)		
Less deficit/(surplus) on General Fund and HRA balance in year	12,258			28,952		
Closing General Fund and HRA balances	(77,590)			(89,846)		

NOTES TO THE STATEMENTS

6a) Adjustments between Funding and Accounting Basis

	2024/25				2023/24			
	Adjustments for Capital Purposes (Note 1) £'000	Net change for Pensions Adjustments (Note 2) £'000	Other Differences (Note3) £'000	Total Adjustment £'000	Adjustments for Capital Purposes (Note 1) £'000	Net change for Pensions Adjustments (Note 2) £'000	Other Differences (Note3) £'000	Total Adjustment £'000
Children's Services	9,680	(2,549)	1,472	8,603	10,507	(251)	(740)	9,516
Adults, Health & Communities	12,707	(325)	51	12,433	7,038	(72)	(81)	6,885
Environment & Resident Experience	15,842	(395)	116	15,563	15,139	(86)	(111)	14,942
Placemaking & Housing	4,604	(179)	(4)	4,421	13,738	(44)	(180)	13,514
Culture, Strategy & Engagement	18,007	(296)	103	17,814	4,714	(67)	(398)	4,249
Corporate Budgets - Non Service	0	(3,639)	50	(3,589)	0	(3,175)	(308)	(3,483)
Corporate Budgets - Service	14,801	0	0	14,801	2,126	0	0	2,126
Dedicated Schools Grant	0	0	(45)	(45)	0	0	(1,997)	(1,997)
Housing - HRA	152,669	(357)	5	152,317	104,592	(80)	(57)	104,455
Net Cost of Services	228,310	(7,740)	1,749	222,318	157,854	(3,775)	(3,872)	150,207
Other income and expenditure	(98,095)	(4,370)	(1,152)	(103,617)	(110,308)	1,540	(2,738)	(111,506)
Difference between General Fund surplus or deficit and the CIES surplus or deficit on the provision of services	130,215	(12,110)	597	118,702	47,546	(2,235)	(6,610)	38,701

NOTES TO THE STATEMENTS

Note 1 - Adjustments for capital purposes

'Adjustments for capital purposes' adds depreciation, impairment and revaluation gains and losses in the service lines, and for:

Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and investment income – the statutory charges for capital financing, i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. This line is credited with capital grants receivable without conditions or for which conditions were satisfied in the year.

Note 2 – Net Change for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For services, this represents the removal of the employer contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income – the net interest on the defined benefit liability is charged to the CIES.

Note 3 – Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure, the other differences column recognises adjustments for the timing differences for premiums and discounts.

The charge under Taxation and non-specific grant income and expenditure represents the timing difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

NOTES TO THE STATEMENTS

6b) INCOME AND EXPENDITURE ANALYSED BY NATURE

Note 1. Income by Nature

Income Category	2024/25 £000	2023/24 £000
Fees, charges & other service income	(297,621)	(252,720)
Grants & Contributions	(685,759)	(693,278)
Income from Council Tax & NNDR	(225,945)	(208,520)
Interest and investment income	(13,729)	(13,931)
Gain on disposal of assets	(4,787)	(18,813)
	(1,227,842)	(1,187,261)

Note 2. Expenditure by Nature

Expenditure Category	2024/25 £000	2023/24 £000
Depreciation, amortisation, impairment	229,853	174,529
Employee Benefits expenses	431,344	408,256
Other Service Expenses	637,363	617,646
Levies	12,011	8,654
Interest payable & similar charges	35,292	25,679
ECL Impairment Allowances	3,408	5,319
Loss in Fair Value of Investment Properties	9,530	14,833
	1,358,801	1,254,915
Deficit on Provision of Service	130,959	67,654

NOTES TO THE STATEMENTS

7. Other operating expenditure

Other operating expenditure Includes all levies payable, total payments made to the Government Housing Receipts Pool in line with statutory arrangements for certain property sales within the HRA and gains/losses generated from in-year disposals of non-current assets:

	2024/25			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Levies - North London Waste Authority (NLWA)	10,098	0	10,098	6,916	0	6,916
Levies - Others	1,913	0	1,913	1,738	0	1,738
Gains on disposal of non-current assets	0	(4,787)	(4,787)	0	(18,813)	(18,813)
	12,011	(4,787)	7,224	8,654	(18,813)	(10,159)

NOTES TO THE STATEMENTS

8. Financing and investment income and expenditure

Financing and investment income and expenditure includes interest receivable and payable on the Council's investment portfolio. The Council's net rental income on the properties it holds purely for investment purposes is also included net of fair value movements. It also includes the interest element of the pension fund liability and expected credit loss impairment (previously known as bad debt provisions).

	2024/25			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Interest payable and similar charges	35,292	0	35,292	25,679	0	25,679
Net interest on the net defined benefit liability	(4,370)	0	(4,370)	1,540	0	1,540
Expected Credit Loss-Impairment Allowances	3,408	0	3,408	5,319	0	5,319
Net Income & Expenditure and changes in the fair values of investment properties	10,866	(11,141)	(275)	17,749	(10,768)	6,981
Interest Income	0	(2,599)	(2,599)	0	(3,163)	(3,163)
Other investment income and expenditure	1,958	(351)	1,607	818	(353)	465
	47,153	(14,091)	33,062	51,105	(14,284)	36,821

NOTES TO THE STATEMENTS

9. Taxation and non-specific grant income

This note consolidates all non-specific grants and contributions receivable that cannot be identified to particular service expenditure and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non-specific grant income even if service specific. The note also identifies the Council's proportion of council tax and business rates used to fund in year service activities:

	2024/25	2023/24
	£'000	£'000
Council tax income	(136,878)	(126,255)
Non domestic rates	(89,068)	(82,265)
Non-ringfenced government grants:		
Covid-19 75% Tax Income Guarantee	0	272
Covid-19 LA Support Grant	0	0
Revenue Support Grant	(27,333)	(25,635)
Section 31 BR relief	(25,892)	(22,065)
Services Grant	(572)	(3,316)
Other revenue grants/ contributions	(3,815)	(3,476)
Capital grants and contributions	(69,837)	(91,166)
	(353,395)	(353,906)

The non-domestic rates income under the Government's business rates retention arrangement consists of £22.350 million (£20.295 million in 2023/24) collected locally and the amount re-distributed from a national pool including 'top-up' is £66.718 million (£61.971 million in 2023/24).

NOTES TO THE STATEMENTS

10. Adjustments between accounting basis and funding basis under regulation

This note details the adjustments that are made to the total comprehensive income and expenditure recognised in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

General Fund Balance

The General Fund is the statutory fund into which all the Council's receipts are paid and out of which all liabilities are to be met, except to the extent that statutory rules provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund, which is not necessarily in accordance with proper accounting practice. The balance summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Housing Revenue Account (HRA) Balance

The HRA Balance reflects the statutory obligation to maintain a revenue account for local authority Council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure that is available to fund future expenditure relating to the Council's landlord function or, where in deficit, that is required to be recovered from tenants in future years.

Capital Receipts Reserve (CRR)

The CRR holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied Account (CGUA)

The CGUA holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Major Repairs Reserve (MRR)

The Council is required to maintain the MRR, which controls the application of the resource arising from depreciation on HRA assets or the financing of historical capital expenditure. The balance shows the resource that has yet to be applied at the year-end.

NOTES TO THE STATEMENTS

Movement during 2024/25	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements					
- Pensions costs (transferred to / from the Pensions Reserve)	11,158	952	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	1,315	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	(164)	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	(1,789)	(5)	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	45	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(62,715)	(137,550)	0	(73,043)	0
Total Adjustments to Revenue Resources	(52,148)	(136,604)	0	(73,043)	0
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the CRR	5,247	9,418	(14,664)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	(369)	(137)	506	0	0
- Payments to the government housing receipts pool (funded by a transfer from the CRR)	0	0	0	0	0
- Posting of HRA resources from revenue to the MRR	0	22,891	0	0	(22,891)
- Statutory provision for the repayment of debt (transfer from the CAA)	31,103	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	298	1,600	0	0	0
Total Adjustments between Revenue and Capital Resources	36,279	33,772	(14,158)	0	(22,891)
Adjustments to Capital Resources					
- Use of the CRR to finance capital expenditure	0	0	7,215	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	22,891
- Application of capital grants to finance capital expenditure	0	0	0	78,397	0
- Cash payments in relation to deferred capital receipts	0	0	0	0	0
- Cash payments in relation to capital loan repayment	0	0	(5,000)	0	0
Total Adjustments between Revenue and Capital Resources	0	0	2,215	78,397	22,891
Other movements in Reserves-	(51)	51	(491)	0	0
Total Adjustments	(15,920)	(102,781)	(12,434)	5,354	0

NOTES TO THE STATEMENTS

Movement during 2023/24	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources					
<u>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</u>					
- Pensions costs (transferred to / from the Pensions Reserve)	2,353	(118)	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	233	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	2,505	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	1,818	57	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	1,997	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(37,188)	(72,901)	0	(94,544)	0
Total Adjustments to Revenue Resources	(28,282)	(72,962)	0	(94,544)	0
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the CRR	13,109	11,486	(24,595)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	(524)	(154)	678	0	0
- Posting of HRA resources from revenue to the MRR	0	22,886	0	0	(22,886)
- Statutory provision for the repayment of debt (transfer from the CAA)	15,531	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	210	0	0	0	0
Total Adjustments between Revenue and Capital Resources	28,326	34,218	(23,917)	0	(22,886)
Adjustments to Capital Resources					
- Use of the CRR to finance capital expenditure	0	0	12,336	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	22,901
- Application of capital grants to finance capital expenditure	0	0	0	88,271	0
- Cash payments in relation to capital loan repayment	0	0	(10,000)	0	0
Total Adjustments between Revenue and Capital Resources	0	0	2,336	88,271	22,901
Other Movements	0	0	(464)	0	0
Total Adjustments	43	(38,744)	(22,045)	(6,273)	15

NOTES TO THE STATEMENTS

11. Movement in earmarked reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

	Note	Balance at 31/03/23 £'000	Transfer In 2023/24 £'000	Transfer Out 2023/24 £'000	Balance at 31/03/24 £'000	Transfer In 2024/25 £'000	Transfer Out 2024/25 £'000	Balance at 31/03/25 £'000
General Fund Reserve	i	(15,141)	(29)		(15,170)	0	0	(15,170)
General Fund earmarked reserves:								
Schools reserve	ii	(7,847)	(1,116)	6,562	(2,401)	(11,425)	12,481	(1,345)
Transformation reserve	iii	(8,117)	0	3,081	(5,036)	0	4,986	(49)
Services reserve	iv	(11,196)	(2,332)	1,832	(11,696)	(1,671)	4,061	(9,306)
PFI lifecycle reserve	v	(19,226)	(1,345)	15,037	(5,534)	(1,332)	2,906	(3,961)
Debt repayment reserve	vi	(1,073)	0	0	(1,073)	0	0	(1,073)
Insurance reserve	vii	(7,535)	0	302	(7,233)	0	1,724	(5,509)
Unspent grants reserve	viii	(11,465)	(3,086)	1,844	(12,707)	(2,002)	4,316	(10,393)
Labour market growth resilience reserve	ix	(373)	0	100	(273)	0	87	(186)
Strategic Budget Planning Reserve	x	(6,727)	(15,037)	16,668	(5,096)	(7,062)	8,135	(4,024)
Resilience reserve	xi	(7,303)	0	7,303	0	0	0	0
Collection Fund Smoothing reserve	xii	(1,231)	0	0	(1,231)	0	0	(1,231)
GF earmarked reserves:		(82,093)	(22,916)	52,728	(52,280)	(23,492)	38,695	(37,074)
Total General Fund Usable Reserves		(97,234)	(22,945)	52,728	(67,450)	(23,492)	38,695	(52,244)
Housing Revenue Account		(20,520)	(5,753)	5,137	(21,136)	(6,360)	7,431	(20,065)
Housing Revenue Account earmarked Reserves:								
Property Acquisition Reserve		(996)	(215)	0	(1,212)	(4,068)	0	(5,279)
Homes for Haringey		(50)	0	0	(50)	0	50	0
HRA earmarked reserves		(1,047)	(215)	0	(1,262)	(4,068)	50	(5,279)
Total HRA Usable Reserves		(21,567)	(5,968)	5,137	(22,398)	(10,428)	7,481	(25,344)

NOTES TO THE STATEMENTS

i. The purpose of the general fund reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should militate against immediate service reductions if there were any unforeseen financial impacts.

ii. This balance represents the net balances held by the Council's 64 schools. The Secretary of State for Education allows Local Authorities to have within their Scheme for Financing Schools, a provision whereby surplus balances that are deemed excessive can be withdrawn from the school in question and applied elsewhere within the Dedicated Schools Budget.

iii. This reserve is earmarked for the costs associated with the Council's Transformation programmes including the investment necessary to deliver longer term efficiencies and change, together with the associated costs of redundancies and decommissioning.

iv. It is Council policy that services may request funds to be carried forward, this is subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained.

v. The PFI reserve is increased by PFI grant in excess of contractual payments. This will be utilised to fund future years' statutory minimum revenue provision charges and future capital investment.

vi. The debt repayment / capital reserve represents funds the Council has set aside for the potential repayment of debt and for funding of future capital expenditure.

vii. The Council self-insures a number of risks including liability, property and theft. Insurance claims are erratic in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account in the same way as a premium to an external insurance provider would smooth charges to the revenue account.

viii. International Financial Reporting Standards require grants and other income to be recognised in the CIES as the right to the monies is earned rather than to match when expenditure is incurred. This reserve holds grant income included within the CIES which will finance related expenditure in future years.

ix. It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

x. This reserve is a key tool for managing the impact of financial plans from one year to another. This reserve requires balances to be at different levels year to year depending on the demand as identified through previous and current budget plans.

xi. This reserve will be used as a one-off measure to offset non-delivery / delay of planned savings contained within the MTFS. It provides additional robustness and financial resilience for the Council.

xii. The Collection Fund reserve is to mitigate unknown risks associated with the Collection Fund (Council Tax and Business Rates) such as Covid19 Legacy, cost of living impact on collections.

NOTES TO THE STATEMENTS

12. Property, plant and equipment

Since 2012/13, all valuations of dwellings, land and buildings and investment properties have been undertaken by external surveyors Wilks Head & Eve (an independent partnership of Chartered Surveyors and Town Planners) who are fully qualified with the Royal Institute of Chartered Surveyors (RICS). Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The surveyors carry out valuations as at 31st March of each year to identify any significant changes since the previous valuation. The latest valuation was carried out during 2024/25 with an effective date of 31 March 2025.

Due to historical reporting requirements and information deficits local authorities do not have reliable, meaningful information to accurately report gross historical cost and accumulated depreciation for infrastructure assets. Historical practices also mean that information required to evidence the derecognition of replaced components of infrastructure assets will not practicably be able to be produced.

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets for Scottish Local Authorities] this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The net book value for total Property, Plant and Equipment on the Balance Sheet is shown below
Details of movement in Infrastructure Assets are shown below.

NOTES TO THE STATEMENTS

Net Book Value of Property, Plant and Equipment

	31-Mar-25	31-Mar-24
	£'000	£'000
Infrastructure Assets	212,932	205,930
Right of Use Assets	39,687	0
Other PPE assets	3,274,363	3,159,565
	3,526,982	3,365,495

Right of Use Assets

	31-Mar-25	31-Mar-24
	£'000	£'000
Net Book Value at 1st April	56,818	0
Depreciation	(17,131)	0
	39,687	0

Movements in Infrastructure Assets

	2024/25	2023/24
	£'000	£'000
Net book value (modified historical cost) at 1 April	205,930	197,664
Additions	18,697	19,242
Depreciation	(12,051)	(10,976)
Other movements in cost	356	0
Net Book Value at 31st March	212,932	205,930

NOTES TO THE STATEMENTS

Movements in Other Property, Plant and Equipment are shown below.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2024	1,618,529	1,196,826	36,215	28,698	305,556	20,049	3,205,873	15,273
Additions	27,643	50,842	1,090	1,985	118,192	988	200,740	
Revaluation increases / (decreases) recognised in the Revaluation Reserve	50,098	53,599	0	0	0	126	103,823	
Revaluation increases / (decreases) recognised in SDPOS	(109,625)	(46,437)	0	0	0	(15)	(156,077)	
Derecognition - disposals	(4,505)	(230)	0	0	0	(4,680)	(9,415)	
Reclassifications and transfers	0	0	0	0	(5,264)	0	(5,264)	
Other movements in cost or valuation	172,170	(6,357)	150	0	(168,695)	840	(1,892)	
At 31 March 2025	1,754,310	1,248,243	37,455	30,683	249,789	17,308	3,337,788	15,273
Accumulated Depreciation and Impairment at 1 April 2024	595	(12,232)	(24,587)	(1,906)	(8,086)	(91)	(46,307)	0
Depreciation charge	(21,317)	(13,043)	(4,702)	0	0	0	(39,062)	(370)
Accumulated Depreciation written out	21,217	625	0	0	0	0	21,842	
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	53	0	0	0	0	53	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	0	0	0	0	0	0	0	0
Derecognition - disposals	34	9	0	0	0	0	43	0
Other movements in depreciation & impairment	0	0	0	0	6	0	6	0
At 31 March 2025	529	(24,588)	(29,289)	(1,906)	(8,080)	(91)	(63,425)	(370)
Net Book Value at 31 March 2025	1,754,839	1,223,655	8,166	28,777	241,709	17,217	3,274,363	14,903

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £108.6m as of 31 March 2024 (£131.7m as at 31 March 2024). Further details are in Note 38.

NOTES TO THE STATEMENTS

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2023	1,778,181	1,189,362	35,771	25,981	206,274	21,732	3,257,301	16,310
Additions	35,329	37,871	444	1,711	119,376	106	194,837	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	16,266	(33,267)	0	0	0	(800)	(17,801)	(1,037)
Revaluation increases / (decreases) recognised in SDPOS	(103,410)	(19,191)	0	0	0	(1,576)	(124,177)	0
Derecognition - disposals	(5,104)	0	0	0	0	0	(5,104)	0
Reclassifications and transfers	(8,771)	20,083	0	0	(12,950)	391	(1,247)	0
Other movements in cost or valuation	(93,962)	1,967	0	1,007	(7,145)	195	(97,938)	0
At 31 March 2024	1,618,529	1,196,826	36,215	28,698	305,556	20,049	3,205,873	15,273
Accumulated Depreciation and Impairment at 1 April 2023	(95,612)	(10,186)	(19,494)	(1,895)	(8,094)	(91)	(135,371)	0
Depreciation charge	(21,288)	(12,842)	(3,678)	0	0	0	(37,807)	(378)
Accumulated Depreciation written out	21,217	10,864	0	0	0	0	32,081	378
Impairment (losses)/reversals recognised in the Revaluation Reserve	735	(14)	0	0	0	0	721	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	0	(63)	(1,416)	(3)	0	0	(1,481)	0
Derecognition - disposals	68	0	0	0	0	0	68	0
Reclassifications and transfers	0	0	0	0	0	0	0	0
Other movements in depreciation & impairment	95,475	9	0	(8)	8	0	95,483	0
At 31 March 2024	595	(12,232)	(24,587)	(1,906)	(8,086)	(91)	(46,307)	0
Net Book Value at 31 March 2024	1,619,124	1,184,594	11,628	26,793	297,469	19,958	3,159,565	15,273

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £131.7m as of 31 March 2024 (£137.6m as at 31 March 2023). Further details are in Note 38.

NOTES TO THE STATEMENTS

Capital Commitments

At 31 March 2025, the Council has entered into several contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years, budgeted to cost £183.7 million (£214.9 million as at 31 March 2024). The major commitments at 31 March 2025 were:

- Major Works - £31.3 million
- New build homes & development of Residential Accommodation - £102.0 million
- Civic Centre Development Project - £50.4 million

Revaluations

The council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value, are revalued at least every five years. Investment Properties and any Asset held for sale are subject to a revaluation review on annual basis to ensure that their carrying values are reflective of the latest market value.

HRA dwellings are valued at their existing use based on 'Beacon' valuation principles and then have a social housing adjustment made thus reducing the balance sheet value to 25% of the beacon value as directed by MHCLG

Revaluations	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total	Infrastructure Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	34,169	30,183	8,166	28,777	241,709	962	343,966	212,932
Valued at fair value as at:								
31-Mar-25	1,717,629	86,712	0	0	0	5,493	1,809,834	0
31-Mar-24	-	974,195	0	0	0	10,762	984,957	0
31-Mar-23	3,041	-	0	0	0	0	3,041	0
31-Mar-22	0	70,425	0	0	0	0	70,425	0
31-Mar-21	0	62,140	0	0	0	0	62,140	0
Total Cost or Valuation	1,754,839	1,223,655	8,166	28,777	241,709	17,217	3,274,363	212,932

NOTES TO THE STATEMENTS

13. Investment properties

The fair value for investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy. Typical valuation inputs which have been used in arriving at our Fair Valuations include Market Rental and Sale Values, Yields Void, Letting Periods and condition of the assets.

The values at 31 March are analysed as follows.

	31/03/25	31/03/24
	£'000	£'000
Office units	4,661	4,404
Commercial units	85,167	83,279
Land	22,597	21,725
Other investment property	5,592	5,572
Total	118,016	114,981

There were no transfers between any of the three levels during 2024/25 or the preceding year.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties.

The following items have been accounted for in the Financing and Investment Income and Expenditure line in the CIES.

	2024/25	2023/24
	£'000	£'000
Rental income from investment property	(11,141)	(10,768)
Direct operating expenses arising from investment properties	1,335	2,337
Net gain	(9,806)	(8,431)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on its right to the remittance of income and the proceeds of disposal.

The following table summarises the movements in the fair value of investment properties over the year.

	2024/25	2023/24
	£'000	£'000
Balance at start of the year	114,981	112,641
Subsequent Expenditure	75	30
Derecognitions	0	(579)
Net gain / (losses) from FV adjustments	(2,304)	(14,833)
Transfers to/from PPE	5,264	1,247
*Other Movements	0	16,475
Balance at the end of the year	118,016	114,981

* Rental renewals for a large number of leases

The fair value of the Council's investment property is measured annually at each reporting date.

NOTES TO THE STATEMENTS

14. Financial instruments

A financial instrument is a contract that gives rise to a financial asset and liability between two parties. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial instruments are disclosed based on considerations around the business model for holding the instruments, and contractual cashflow characteristics. All of the Council's financial instruments are classified as held at 'amortised cost', and none at 'fair value through profit or loss' (FVTPL) or 'fair value through other comprehensive income' (FVOCI).

Financial liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's liabilities held during the year are measured at amortised cost and comprised:

- Borrowing: Long term loans from the Public Works Loans Board and commercial lenders, short term loans from other local authorities, plus accrued interest on these loans
- Finance leases detailed in note 33
- Private Finance Initiative contracts detailed in note 34
- Trade payables for goods and services received

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories.

	Long Term		Short Term	
	31/03/25	31/03/24	31/03/25	31/03/24
	£'000	£'000	£'000	£'000
Financial Liabilities				
Loans at amortised cost:				
- Principal sum borrowed	(871,253)	(716,253)	(110,000)	(103,179)
- Accrued interest	0	0	(10,180)	(7,244)
- EIR adjustments	(1,860)	(2,990)	0	0
Total Borrowing *	(873,113)	(719,243)	(120,180)	(110,422)
Liabilities at amortised cost:				
- Finance leases	(52,874)	(25,773)		
- PFI arrangements	0	(2,008)		
Total Other Long-term Liabilities	(52,874)	(27,781)	0	0
Liabilities at amortised cost:				
- Trade payables	(16,724)	(16,974)	(90,621)	(94,384)
- PFI arrangements			(2,008)	(3,916)
- Finance leases			(20,406)	(1,046)
Included in Creditors **	(16,724)	(16,974)	(113,035)	(99,346)
Total Financial Liabilities	(942,711)	(763,999)	(233,214)	(209,768)

*The total short-term borrowing includes £10.2 million (31 March 2024 £7.2 million) representing accrued interest on long-term borrowing.

**The short-term creditors lines on the Balance Sheet includes £100.7 million (31 March 2024 £81.7m) that do not meet the definition of a financial liability as they relate to non-exchange transactions or receipts in advance.

Financial assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset. The

NOTES TO THE STATEMENTS

financial assets held by the Council during the year are held under the following classifications:

- Cash and cash equivalents, including current account deposits, and short-term investments with other local authorities and the Debt Management Office (DMO) maturing within 3 months of the balance sheet date.
- Short Term Investments - Loans to other local authorities maturing 3 months or more after the balance sheet date (including accrued interest), Loans made to community organisations and other bodies for service purposes (including soft loans)
- Trade receivables for goods and services delivered

Allowances for impairment losses for trade receivables are calculated using the simplified approach recognising lifetime expected losses. Allowances for impairments on loans made for service purposes are made on the expected loss model.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Long Term		Short Term	
	31/03/25	31/03/24	31/03/25	31/03/24
	£'000	£'000	£'000	£'000
Financial Assets				
<i>At amortised cost:</i>				
- Principal		0	39	19
Total Investments	0	0	39	19
<i>At amortised cost:</i>				
- Principal		0	23,214	36,545
Total Cash and Cash Equivalents	0	0	23,214	36,545
<i>At amortised cost:</i>				
- Trade receivables	68	68		87,568
- Loans made for service purposes	9,130	9,249		0
Included in Debtors *	9,198	9,317	0	87,568
Total Financial Assets	9,198	9,317	23,253	124,132

*The short-term debtors' lines on the Balance Sheet include £48.3m (31 March 2024 £41.3 million) that do not meet the definition of a financial asset as they relate to non-exchange transactions or payments in advance.

NOTES TO THE STATEMENTS

Income, expense, gains and losses

The income and expense recognised in the CIES in relation to financial instruments consist of the following items. There were no gains or losses on revaluation, or items recognised in other comprehensive income and expenditure.

	Financial Liabilities at Amortised Cost	Financial Assets at Amortised Cost	2024/25	2023/24
	£'000	£'000	£'000	£'000
Interest expense	35,292		35,292	25,679
Impairment losses	3,408		3,408	5,319
Interest payable and similar charges	38,700	0	38,700	30,998
Interest income		(2,599)	(2,599)	(3,163)
Interest and investment income	0	(2,599)	(2,599)	(3,163)
Net Gain/(Loss) for the Year	38,700	(2,599)	36,101	27,835

Financial instruments – fair values

Financial assets and liabilities are carried in the Balance Sheet at amortised cost. The fair values for all financial assets are the same as the carrying values, reported earlier in this note to the accounts. Fair values for financial liabilities are estimated by calculating the present values of remaining contractual cash flows as at 31 March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans
- The value of 'Lender's Option Borrower's Option' (LOBO) loans

has been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate

- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield
- No early repayment or impairment is recognised for any financial instrument
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount

Fair values are shown in the tables below, split by their level in the fair value hierarchy as follows:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs e.g. non-market data such as cash flow forecasts or estimated creditworthiness

NOTES TO THE STATEMENTS

	Fair Value Level	Balance Sheet 31/03/25 £'000	Fair Value 31/03/25 £'000	Balance Sheet 31/03/24 £'000	Fair Value 31/03/24 £'000
PWLB loans	2	(812,228)	(617,673)	(683,715)	(528,658)
LOBO loans	2	(104,057)	(111,883)	(103,931)	(160,142)
Lease payables*	2	(73,280)		(26,819)	(24,598)
PFI liability*	2	0		(5,924)	(5,943)
Total		(989,565)	(729,556)	(820,387)	(719,341)
Liabilities for which fair value is not disclosed**		(186,361)		(151,058)	
Total financial liabilities		(1,175,926)		(971,445)	
Recorded on balance sheet as:					
- Short term creditors		(113,035)		(97,025)	
- Short term borrowing		(120,180)		(110,422)	
- Long term creditors		(16,724)		(16,974)	
- Long term borrowing		(873,113)		(719,243)	
- Other long term liabilities		(52,874)		(27,781)	
Total financial liabilities		(1,175,926)		(971,445)	

* Under IFRS16 provisions, these no longer need to be disclosed

**This includes £75m short-term borrowing to other local authorities (£40m for 2023/24).

The fair value of financial liabilities held at amortised cost is higher than their Balance Sheet carrying amount because the Council's portfolio of loans includes several loans where the interest rate payable is higher than the current rates available for their similar loans as at the Balance Sheet date.

	Level	Balance Sheet 31/03/25 £'000	Fair Value 31/03/25 £'000	Balance Sheet 31/03/24 £'000	Fair Value 31/03/24 £'000
Cash and Cash Equivalents	2	13,630	13,630	33,900	33,900
Short Term Investments	2	39	39	19	19
Total		13,669	13,669	33,919	33,919
Assets for which fair value is not disclosed		18,782		137,877	
Total financial		32,451	13,669	171,796	33,919
Recorded on balance sheet as:					
- short term debtors		0		87,568	
- short term investments		39		19	
- long term debtors		9,198		9,317	
- cash and cash equivalents		23,214		36,545	
Total financial		32,451		133,449	

NOTES TO THE STATEMENTS

15. Nature and extent of risks arising from financial instruments

The Council complies with the most recent CIPFA Code of Practice on Treasury Management and the Prudential Code for Capital Finance for Local Authorities.

In line with the Treasury Code, the Council approves a Treasury Management Strategy before the beginning of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also maintains Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. A copy of the Treasury Management Strategy Statement for 2024/25 can be found on the Council's website, www.haringey.gov.uk.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Department for Levelling Up, Housing and Communities Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The Council's activities expose it to various financial risks, including:

- **credit risk** – the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- **liquidity risk** – the possibility that the Council might not have the cash available to make contracted payments on time.
- **market risk** - the possibility that unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit risk – Treasury Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £5 million is placed on the amount of money that can be invested with a single counterparty (other than the UK government, through the Debt Management Office). In addition to this, the Council has set limits on investments in certain sectors including group limits. Full details of the Council's approved counterparty list, along with the relevant investment and term limits, are included in the Treasury Investment Strategy section of the Treasury Management Strategy.

As of 31 March 2025, the nominal value of the Council's investment portfolio was £13.6 million. The entire amount was deposited in two Money Market Funds. All investments made during the financial year were in accordance with the Council's approved credit rating criteria. Furthermore, as at 31 March 2024, there were no loss allowances related to treasury investments.

NOTES TO THE STATEMENTS

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board (PWLB) and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than set percentages of the Council's borrowing matures in any one financial year.

The maturity analysis of the Council's borrowing below is as follows, shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payments) at 31 March 2025.

Discounted borrowing	31/03/2025	31/03/2024
	£'000	£'000
Public Works Loans Board	812,233	683,749
Market debt	101,996	102,013
Local government	77,197	40,941
Total	991,426	826,703
Less than 1 year	170,172	160,449
Between 1 and 2 years	25,000	31,000
Between 2 and 5 years	190,000	113,000
Between 5 and 10 years	144,750	107,250
Between 10 and 20 years	150,020	98,520
Between 20 and 40 years	156,484	146,484

Between 40 and 50 years	155,000	170,000
More than 50 years		
	991,426	826,703

Undiscounted borrowing	31/03/2025	31/03/2024
	£'000	£'000
Public Works Loans Board	1,249,642	1,074,057
Market debt	109,413	111,763
Local government	78,326	41,580
Total	1,437,381	1,227,400
Less than 1 year	193,536	178,080
Between 1 and 2 years	52,715	50,911
Between 2 and 5 years	261,195	166,525
Between 5 and 10 years	226,214	172,136
Between 10 and 20 years	248,478	191,196
Between 20 and 40 years	280,544	275,107
Between 40 and 50 years	174,699	193,445
More than 50 years		
	1,437,381	1,227,400

The Council has £100 million (2023: £100m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option on set dates to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment, and these loans are therefore shown in table above as maturing on the next option date.

NOTES TO THE STATEMENTS

Market Risk – Interest Rate Risk

The Council is exposed to risks in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have complex impact on the authority. For instance, a rise in interest rates would have the following effects

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit on the 12-month revenue impact of a 1% fall and rise in interest rates. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31/03/2025	31/03/2024
	£'000	£'000
Increase in interest receivable on variable rate investments	2,880	4,683
Increase in interest payable on variable rate borrowings	0	0
Impact on Surplus or Deficit on Provision of Services	2,880	4,683
Decrease in fair value of fixed rate borrowing liabilities	64,740	67,197

The Council has £50m (2024: £50m) of “Lender’s option, borrower’s option” (LOBO) loans with maturity dates in 2025 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty.

Market Risk – Price Risk

The Council does not invest in any pooled funds and therefore is not subject to any price risk (i.e., the risk that the Council will suffer loss as a result of adverse movements in the price of this class of financial instruments).

Market Risk – Foreign Exchange Risk

The Council had no direct holdings in financial instruments denominated in foreign currencies. The Council is therefore not exposed to the risk of adverse movements in foreign exchange rates.

NOTES TO THE STATEMENTS

16. Debtors

The following tables provide an analysis of money owed to the Council by other bodies as at 31 March 2025 and which at that date was yet to be received. The Council has considered the collectability of the debt and has impaired the debt for the amounts it may not recover.

Short Term Debtors	31st March 2025			31st March 2024		
	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor
	£000	£000	£000	£000	£000	£000
Central Government	19,475	0	19,475	17,274	0	17,274
Commercial Waste	127	(127)	0	688	(108)	580
Health Authorities	37,199	0	37,199	22,516	0	22,516
Housing Benefit Overpayments	35,691	(30,850)	4,841	30,092	(24,568)	5,524
Housing/ HRA Rent Payers	43,290	(42,499)	791	56,990	(40,469)	16,520
Local Taxation	50,591	(41,957)	8,635	43,356	(33,555)	9,801
Other Local Authorities	17,652	0	17,652	16,940	0	16,940
Other Receivables	30,140	0	30,140	21,418	(4,097)	17,321
Parking	55,573	(38,733)	16,840	39,565	(30,488)	9,077
Payment in Advance	3,098	0	3,098	1,358	0	1,358
Trade Receivables	44,233	(18,787)	25,446	24,928	(12,924)	12,004
Total Short Term Debtors	337,069	(172,953)	164,116	275,124	(146,210)	128,913

Long Term Debtors	31st March 2025	31st March 2024
	Net Debtor	Net Debtor
	£'000	£'000
Advances & Deposits	68	68
Service Loans	9,130	9,249
Total Long Term Debtors	9,198	9,317

The above note includes the figures from Single Entity only. Group Entity Short Term Debtors total £164.0 m as of 31 March 2025 (£130.2m as at 31 March 2024) and Group Entity Long Term Debtors total £4.2m as of 31 March 2025 (£3.7m as at 31 March 2024).

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Expected credit loss is based on the expectation that the future cash flows might not take place because the borrower could default on their obligations. This applies to all of the council's contractual Financial Instrument Assets apart from statutory and tax-based debt.

2024/25 Expected Credit Loss/ Incurred Credit Loss Movement	Opening balance 01/04/2024	Additional/ Release of Provisions made During the Year	Amount Used During the Year	Closing Balance 31/03/2025
	£000	£000	£000	£000
Expected Credit Loss				
Housing Rent	(14,857)	(1,622)	63	(16,417)
Other (Sundry/ Commercial/ Leisure)	(12,921)	(1,786)	604	(14,103)
	(27,778)	(3,408)	667	(30,519)
Incurred Credit Loss				
Housing Other	(25,661)	(2,028)	1,556	(26,133)
Housing Benefit Overpayment	(24,568)	(6,282)	0	(30,850)
Local Taxation	(33,555)	(9,117)	715	(41,957)
Parking	(30,488)	(8,245)	0	(38,733)
Other	(4,159)	(605)	3	(4,761)
	(118,431)	(26,277)	2,274	(142,433)
	(146,210)	(29,685)	2,942	(172,952)

2023/24 Expected Credit Loss/ Incurred Credit Loss Movement, Restated	Opening balance 01/04/2024	(Additional Provisions)/ Released during the Year	Amount Used During the Year	Closing Balance 31/03/2024
	£000	£000	£000	£000
Expected Credit Loss:				
Housing Rent	(15,726)	(2,610)	3,478	(14,857)
Other (Sundry/ Commercial)	(10,743)	(2,709)	531	(12,921)
	(26,469)	(5,319)	4,009	(27,778)
Incurred Credit Loss:				
Housing Other	(23,949)	(2,782)	1,069	(25,661)
Housing Benefit Overpayment	(23,275)	(1,293)	0	(24,568)
Local Taxation	(29,622)	(4,124)	191	(33,555)
Parking	(20,500)	(9,988)	0	(30,488)
Other	(3,732)	(429)	1	(4,159)
	(101,079)	(18,615)	1,262	(118,431)
	(127,547)	(23,934)	5,271	(146,210)

16a Debtors for Local Taxation

The past due net of impairments for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

Council Tax	31/03/2025	31/03/2024
	£'000	£'000
One year or less than one year	5,268	5,854
More than one year	2,795	2,500
Total	8,063	8,354

Non-Domestic Rates	2024/25	2023/24
	£'000	£'000
One year or less than one year	414	1,266
More than one year	159	181
Total	573	1,447

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17. Cash and cash equivalents

The net balance of cash and cash equivalents is made up of the following elements at the balance sheet date.

	Single Entity		Group Amounts	
	31/03/25	31/03/24	31/03/25	31/03/24
	£'000	£'000	£'000	£'000
Cash in hand and at bank	9,584	2,645	16,495	8,825
Short-term deposits	13,630	33,900	13,630	33,900
Total	23,214	36,545	30,125	42,725

18. Creditors

The following tables provide an analysis of money owed by the Council as at 31 March 2025.

	Long Term		Short Term	
	31/03/25	31/03/24	31/03/25	31/03/24
	£'000	£'000	£'000	£'000
Central Govt bodies	0	0	(35,082)	(24,422)
Other local authorities	0	0	(14,243)	(14,120)
NHS bodies	0	0	(9,250)	(18,696)
Receipt in Advance	0	0	(29,524)	(23,711)
Trade Payables	(1,912)	(1,665)	(111,260)	(60,000)
Other Payables	(14,812)	(15,309)	(558)	(18,160)
PFI	0	0	(2,008)	(3,916)
Council Tax & NNDR	0	0	(11,860)	(15,712)
Overpayments	0	0		
Total	(16,724)	(16,974)	(213,784)	(178,737)

The above note includes the figures from Single Entity only. Group Entity Short Term Creditors total £218.7m as of 31 March 2025 (£183.5m as of 31 March 2024) and Group Entity Long Term Creditors total £16.7m as of 31 March 2025 (£16.9m as at 31 March 2024).

19. Provisions

Provisions are analysed on the face of the Balance Sheet as either short term or long term. The amounts below are estimates based on the best information available:

	Insurance	NDR appeals	Thames Water	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	(10,240)	(3,823)	(3,241)	(11,375)	(28,679)
Provisions made in 2024/25	(3,967)	0	0	(2,530)	(6,497)
Amounts used in 2024/25	2,340	1,926	0	2,424	6,690
reversed in 2024/25	0	0	1,664	0	1,664
Balance at 31 March 2025	(11,867)	(1,897)	(1,577)	(11,481)	(26,822)
Of which:					
Long Term	(10,469)	0	0	(6,322)	(16,791)
Short Term	(1,398)	(1,897)	(1,577)	(5,159)	(10,031)

The **insurance provision** is required as some of the Council's insurance policies are met by deposit premiums under which insurers ask for additional sums some years after the original claim. Furthermore, balances are accrued each year to meet future known claims where the Council self-insures. Depending on the claims, these payments may be made over a period of many years.

The **Non-Domestic Rates (NDR) provision** reflects the potential liabilities of the repayments to businesses based on current outstanding appeals and an estimate of any future appeals. The **Thames Water provision** represents management's judgement

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of reasonable estimate required should tenants reclaim excess water charges.

20. Unusable reserves

	2024/25	2023/24
	£'000	£'000
Collection Fund Adjustment	(5,422)	(5,586)
Revaluation Reserve	(1,285,924)	(1,188,188)
Pensions Reserve	213,026	(87,281)
Capital Adjustment Account	(968,404)	(1,077,718)
Deferred Capital Receipts	(960)	(960)
Financial Instruments Adjustment	1,860	3,175
Dedicated School Grant Adjustment	9,507	9,553
Accumulated Absences	10,897	9,103
Total	(2,025,420)	(2,337,901)

Collection Fund Adjustment Account

The collection fund adjustment account manages the differences arising from the recognition of Council tax income in the CIES as it falls due from Council taxpayers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

	2024/25	2023/24
	£'000	£'000
Balance as at 1 April	(5,586)	(3,081)
Amount by which council tax and non domestic rates income credited to the CIES is different from council tax and non domestic rates income calculated for the year in accordance with statutory requirements	164	(2,505)
Balance as at 31 March	(5,422)	(5,586)

Revaluation reserve

The revaluation reserve contains the gains made by the Council since April 2007 arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost, used in the provision of services and the gains are realised. The Revaluation Reserve includes the figures from the Single Entity only but excludes those from the Group Entity. This is an additional £104m as at 31 March 2024 (£88.9m at 31 March 2023).

	2024/25	2023/24
	£'000	£'000
Balance as at 1 April	(1,188,187)	(1,178,412)
(Surplus) or deficit on revaluation of property, plant and equipment	(125,717)	(14,996)
Difference between fair value depreciation and historical cost depreciation	11,805	1,954
Revaluation losses & impairments written off to previous gains	14,436	1,777
Revaluation balances on disposed assets	1,740	1,490
Balance as at 31 March	(1,285,923)	(1,188,187)

Pension reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits

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earned to be financed as the Council makes employer's contributions to the pension fund or eventually pay any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. The credit balance represents the surplus of the present value of the defined benefit obligation less the fair value of plan assets.

	2024/25	2023/24
	£'000	£'000
Balance as at 1 April	(87,281)	34,292
Remeasurements recognised in Other Comprehensive Income and Expenditure	312,417	(119,338)
Reversal of items relating to retirement benefits debited or credited to SDPOS	(12,110)	(2,235)
Balance as at 31 March	213,026	(87,281)

Capital adjustment account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account therefore represents amounts set aside to finance expenditure on fixed assets or for the repayment of external loans and certain other financing transactions.

The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

	2024/25	2023/24
	£'000	£'000
Balance as at 1 April	(1,077,716)	(1,149,255)
<i>Reversal of items relating to capital expenditure debited or credited to CIES</i>		
- charges for depreciation and impairment of NCA	68,244	48,851
- revaluation gains and reversals of losses on PPE	156,077	124,158
- amortisation of intangible assets	5,185	1,520
- REFCUS	24,563	9,601
- amounts of NCA written off on disposal or sale as part of the gains/loss on disposal to CIES	9,371	5,683
	263,440	189,813
Adjusting amounts written out of Revaluation Reserve	(27,982)	(5,221)
Net written out amount of the cost of NCA consumed in the year	235,458	184,591
<i>Capital financing applied in the year</i>		
- Capital Receipts	(7,215)	(12,336)
- Capital Grants	(22,891)	(88,271)
- Major Repairs Reserve	(78,397)	(22,901)
- Revenue Contributions	(1,898)	(210)
- Minimum revenue provision	(31,103)	(15,531)
	(141,505)	(139,249)
Movements in the market value of Investment Properties debited or credited to CIES	9,531	14,833
Other adjustments*	5,828	11,362
Balance as at 31 March	(968,404)	(1,077,716)

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*Includes £5m for the write down of capital receipts relating to a capital loan.

Dedicated Schools Grant (DSG) Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools' budget. Where the authority has incurred a deficit on its schools' budget in years beginning 1 April 2020 ending 31 March 2026, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account.

	2024/25	2023/24
	£'000	£'000
Balance as at 1 April	9,553	11,550
Transferred into DSG Reserve during year	(45)	(1,997)
Balance as at 31 March	9,508	9,553

As part of the high level of deficit on the High Needs Block, intervention support (Safety Valve) was agreed with the DfE to reduce the cumulative DSG deficit, including the deficit for 2022/23, and reach a positive position by 2027/28. To deliver the required improvement over the five years, the Council developed a DSG Management Plan which was coproduced with various stakeholders. The plan was approved by DfE in 2022-23 and as a result financial support of £29.9m is being provided. The amount provided up to 2024/25 is **£17.94m**. As a result of the funding, the cumulative High Needs Block DSG deficit at 31st March 2025 is **£9.508m** from the high level of **£20.505m** as at 31st March 2022.

Accumulated Absences

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

	2024/25	2023/24
	£'000	£'000
Balance as at 1 April	9,103	10,977
Settlement / cancellation of accrual made at the end of the preceding year	(9,103)	(10,977)
Amounts accrued at the end of the current year	10,897	9,103
Amount by which officer remuneration charged to the CIES on an accruals basis is different from charges in accordance with statute	1,794	(1,874)
Balance as at 31 March	10,897	9,103

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21. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	Single Entity		Group	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Interest received	2,579	3,298	2,579	3,298
Interest paid	(33,486)	(25,183)	(33,486)	(25,183)
Dividends received	0	0	0	0

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

	Single Entity		Group	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Depreciation	68,244	48,851	70,153	50,654
Impairment and downward valuations	156,077	124,158	156,077	124,158
Amortisation	5,185	1,520	5,185	1,520
Increase/(decrease) in creditors	20,753	1,243	21,969	3,131
Increase/(decrease) in Provisions	(1,857)	(2,376)	(1,857)	(2,376)
(Increase)/decrease in debtors	(36,591)	30,342	(37,386)	30,344
(Increase)/decrease in inventories	(28)	(30)	(26)	(89)
Movement in pension liability	(12,110)	(2,235)	(12,110)	(2,327)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9,371	5,683	9,371	5,683
Movement in FV of Investment Property	9,531	(5,017)	9,531	(5,017)
Other non-cash items charged to the net surplus or deficit on the provision of services	4,758	33,789	4,020	31,246
	223,333	235,928	224,927	236,929

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The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	Single Entity		Group	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0	0	0	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(14,664)	(25,504)	(14,664)	(25,504)
Capital Grants credited to SDPOS	(73,043)	(94,544)	(73,043)	(94,544)
	(87,707)	(120,048)	(87,707)	(120,048)

22. Cash Flow Statement - Investing Activities

	Single Entity		Group	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Purchase of property, plant and equipment, investment property and intangible assets	(220,478)	(228,256)	(223,385)	(229,319)
Capital Loans to Subsidiaries	0	0	(469)	(429)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	14,664	24,595	14,664	24,595
Capital Grants and Other Investments received	56,208	59,923	56,208	59,923
Net cash flows from investing activities	(149,606)	(143,738)	(152,982)	(145,230)

NOTES TO THE STATEMENTS

23. Cash Flow Statement - Financing Activities

	Single Entity		Group	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Cash receipts of short- and long-term borrowing	265,000	184,166	265,000	184,166
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(27,548)	(3,722)	(27,548)	(3,722)
Repayments of short- and long-term borrowing	(103,179)	(148,036)	(103,179)	(148,036)
Other payments for financing activities	(2,665)	(5,228)	(2,665)	(5,228)
Net cash flows from financing activities	131,608	27,180	131,608	27,180

23a Reconciliation of Financial Liabilities from financing activities

	Opening Balance as at 01.04.2024	Financing Cash Flows	Non Cash Changes	Closing Balance as at 31.03.2025
	£'000	£'000	£'000	£'000
Long Term Borrowings	719,243	155,000	(1,130)	873,113
Short Term Borrowings	110,422	6,821	2,936	120,179
Lease Liabilities	26,819	0	(23,632)	3,187
On Balance sheet PFI liabilities	5,924	(3,916)	0	2,008
Total	862,408	157,905	(21,826)	998,487

NOTES TO THE STATEMENTS

24. Members allowances

The total of Members' allowances paid in 2024/25 was £1.164 million compared to £1.150 million in 2023/24. These figures are included in the 'Corporate Budget- Service' line of the CIES.

25. External audit costs

The authority has incurred the following costs in relation to the audit of the statement of accounts:

	2024/25	2023/24
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year -KPMG	533	499
Fees for HB subsidy claims audit- KPMG	74	86
Fees payable in respect of grant claims and returns provided during the year-KPMG	22	12
Total	629	597

NOTES TO THE STATEMENTS

26. Pooled budgets

In 2024/25, Haringey Council (the Council) entered into 2 pooled budget arrangements with NHS North Central London ICB (The ICB), established under Section 75 (s75) of the NHS Act 2006:

- Better Care Fund which provides the financial support to jointly plan and deliver local services.
- Commissioning and provision of integrated learning disabilities service

2024/25 Section 75 Pooled Budget

	Gross Expenditure 2024/25	ICB's Contribution 2024/25	Haringey's Contribution 2024/25	TOTAL Contribution 2024/25
	£'000	£'000	£'000	£'000
Adults Mental Health	21,751	(6,813)	(14,938)	21,751
Adult Learning Disabilities Support	43,694	(12,883)	(30,810)	43,694
Child and Adolescent Mental Health services (CAMHS)	3,108	(1,674)	(1,434)	3,108
Better Care Fund (BCF)	26,604	(26,604)	0	26,604
OP/LTC (incl DFG & Additional Discharge Fund)	5,839	(626)	(5,213)	5,839
Improved Better Care fund (iBCF)	9,806	0	(9,806)	9,806
Violence Against Women and Girls (VAWG)	59	(32)	(28)	59
Children and Young Persons (CYP)	9,892	(2,767)	(7,125)	9,892
TOTAL	120,755	(51,399)	(69,355)	120,755

2023/24 Section 75 Pooled Budget

	Gross Expenditure 2023/24	ICB's Contribution 2023/24	Haringey's Contribution 2023/24	TOTAL Contribution 2023/24
	£'000	£'000	£'000	£'000
Adults Mental Health	63,989	(47,372)	(16,617)	(63,989)
Adult Learning Disabilities Support	42,907	(12,543)	(30,364)	(42,907)
Child and Adolescent Mental Health services (CAMHS)	2,522	(1,768)	(754)	(2,522)
Better Care Fund (BCF)	24,629	(24,629)	0	(24,629)
OP/LTC (incl DFG & Additional Discharge Fund)	4,145	(91)	(4,054)	(4,145)
Improved Better Care fund (iBCF)	9,806	0	(9,806)	(9,806)
Violence Against Women and Girls (VAWG)	59	(32)	(27)	(59)
Children and Young Persons (CYP)	10,032	(3,028)	(7,004)	(10,032)
TOTAL	158,089	(89,463)	(68,626)	(158,089)

NOTES TO THE STATEMENTS

Haringey and ICB contribution is presented net of recharges for both prior and current year.

In 2023/24, the Council and the ICB continued the expanded and unified partnership agreement, under Section 75 of the NHS Act 2006, to support the implementation of strategic plans for more integrated commissioning and provide for:

- a) Lead commissioning and the establishment and maintenance of pooled fund for the commissioning of learning disability services for eligible adults' resident in Haringey.
- b) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of mental health services for eligible adults' resident in Haringey.
- c) Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of older people's services for eligible adults' resident in the London Borough of Haringey.
- d) Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of child and adolescent mental health services for the residents of the London Borough of Haringey.
- e) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of the Independent Domestic Violence Advocacy Service and the Identification and Referral to Increase Safety Service for eligible adults' resident in Haringey.
- f) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of a range of young people's health and wellbeing services for eligible young people resident in Haringey.

It should be noted that whilst the Partnership Agreement allows for all budgets mentioned above to be pooled, it is only the BCF, DFG, and the learning disability staffing budgets which are in fact pooled, all other budgets are aligned. The partnership agreement for the Better Care Fund comprises the ICB and the Council for the provision of services to facilitate closer integration of health and social care for local people. NHS North Central London ICB (The ICB), as the host Authority, held the revenue element whilst the Council held the capital element of the pooled budget.

The gross expenditure of the Better Care Fund (excluding Improved Better Care Fund) was £28.6m in 2023/24 of which the Council's contribution was £4m and £24.6m by the ICB. In relation to the improved Better Care Fund, the Council utilised the entire amount of £9.8m government grant.

NOTES TO THE STATEMENTS

27. Officers' Remuneration

The following table sets out the remuneration for senior officers whose salary is £150,000 or more per year.

Post Holder Details	Financial Year	Salary, Fees and Allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration
		£	£	£	£
Chief Executive - A Donald	2024-25	228,279	0	0	228,279
	2023-24	225,870	0	0	225,870
Taryn Eves (started 01.05.2024) (Director of Finance)	2024-25	139,596	0	32,805	172,401
	2023-24	0	0	0	0
Director of Finance - JR Warlow (Retired 31.03.2024)	2024-25	0	0	0	0
	2023-24	186,063	0	41,583	227,646
Director of Placemaking & Housing - D Joyce (Left 30.09.2024)	2024-25	77,791	0	18,281	96,072
	2023-24	160,833	0	36,992	197,825
Director of Adults, Health & Communities - B Tarka	2024-25	169,920	0	39,931	209,851
	2023-24	160,833	0	36,992	197,825
Director of Children's Services - A Graham	2024-25	170,389	0	39,931	210,320
	2023-24	160,833	0	36,992	197,825
Jess Crowe* (Director of Culture, Strategy & Engagement)	2024-25	161,775	-	38,017	199,792
	2023-24	149,891	-	34,475	184,365
Barry Francis* (Director of Environment & Resident Experience)	2024-25	169,968	-	39,931	209,899
	2023-24	149,891	-	34,475	184,366

*These 2 directors were disclosed in the under £150k table below in 2023/24.

NOTES TO THE STATEMENTS

The following table sets out the remuneration disclosures for senior officers reporting directly to the Chief Executive whose salary is more than £50,000 but less than £150,000:

Post Holder Details	Financial Year	Salary, Fees and Allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration
		£	£	£	£
Director of Culture, Strategy & Engagement	2024-25	0	0	0	0
	2023-24	149,891	0	34,475	184,365
Director of Environment & Residents Exp	2024-25	0	0	0	0
	2023-24	149,891	0	34,475	184,365

* Both above directors have been disclosed in over £150k table above.

NOTES TO THE STATEMENTS

The number of employees whose remuneration including redundancy payments but excluding pension contributions was £50,000 or more is detailed in the table below. These numbers cover all Council activities, including schools-based staff (it excludes senior officers who are disclosed in the previous tables):

	2024/25	2023/24
	No. of employees	No. of employees
£50,000 - £54,999	472	437
£55,000 - £59,999	376	270
£60,000 - £64,999	269	434
£65,000 - £69,999	178	10
£70,000 - £74,999	106	2
£75,000 - £79,999	63	49
£80,000 - £84,999	38	34
£85,000 - £89,999	35	48
£90,000 - £94,999	21	1
£95,000 - £99,999	25	12
£100,000 - £104,999	15	10
£105,000 - £109,999	14	9
£110,000 - £114,999	11	10
£115,000 - £119,999	6	9
£120,000 - £124,999	9	1
£125,000 - £129,999	4	9
£130,000 - £134,999	2	2
£135,000 - £139,999	3	2
£145,000 - £149,999	5	1
£190,000 - £194,999	2	0
Total	1,654	1,350

28. Termination benefits

The tables below show the number of exit packages including pension strain contributions agreed in the year together with the total cost per band (including schools-based staff):

Exit Package 2024/25	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	36	18	54	464,744
£20,001 - £40,000	20	9	29	830,148
£40,001 - £60,000	7	10	17	782,599
£60,001 - £80,000	0	2	2	200,642
£80,001 - £100,000	0	1	1	92,270
£100,001 - £150,000	0	2	2	251,470
£150,001 - £200,000	1	3	4	659,986
£200,001 - £250,000	0	1	1	201,793
	64	46	110	3,483,652

Exit Package 2023/24	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	33	23	56	£449,714
£20,001 - £40,000	13	7	20	£568,938
£40,001 - £60,000	0	2	2	£85,623
£60,001 - £80,000	2	0	2	£130,666
£100,001 - £150,000	1	0	1	£106,488
	49	32	81	£1,341,428

NOTES TO THE STATEMENTS

29. Dedicated Schools Grant (DSG)

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2022. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows.

	Central Expenditure	ISB	Total
	£'000	£'000	£'000
Final DSG for 2024/25 before academy and high needs recoupment			317,429
Academy and high needs figure recouped for 2024/25			86,328
Total DSG after academy and high needs recoupment for 2024/25			231,101
Plus: Brought forward from 2023/24			0
Less: Carry-forward to 2025/26 agreed in advance			0
Agreed initial budgeted distribution in 2024/25	100,220	141,833	242,053
In-year adjustments	1,910	0	1,910
Final budget distribution for 2024/25	102,130	141,833	243,963
Less: Actual central expenditure	91,132		91,132
Less: Actual ISB deployed to schools		141,833	141,833
Plus: Local authority contribution for 2024/25	0	0	0
In-year carry-forward to 2025/26	10,998	0	10,998
Plus: Carry-forward to 2025/26 agreed			0
Carry-forward to 2025/26			10,997
DSG unusable reserve at the end of 2023/24			(20,505)
Addition to DSG unusable reserve at the end of 2024/25			0
Total of DSG unusable reserve at the end of 2024/25			(20,505)
Net DSG position at the end of 2024/25			(9,508)

NOTES TO THE STATEMENTS

30. Grant income

The Council credited the following grants, contributions and donations to the CIES in 2024/25.

		2024/25	2023/24
		£000	£000
Credited to Services			
Dept of Works & Pensions Grants	Housing Benefits Subsidy	(139,994)	(161,992)
	Household Support Fund	(4,813)	(4,813)
	Discretionary Housing payment	(1,193)	(1,193)
Dept for Education Grants	Dedicated Schools Grant	(231,101)	(215,407)
	Safety Valve Payment	(1,910)	(4,070)
	Pupil Premium	(9,533)	(10,558)
	Schools Supplementary Grant (SSG)	(3,473)	(5,376)
	16+ Learning	(6,925)	(7,192)
	PFI	(5,669)	(5,669)
	Universal Infant school meal	(6,405)	(5,314)
	DFE Other Revenue Grants	(11,917)	(10,335)
Department of Health Grants	Public Health Grant	(23,214)	(22,203)
	DHSC Other Revenue Grants	(8,141)	(6,273)
DHULC Grants	Homelessness Grant	(3,096)	(1,940)
	Tackling Troubled Families	(1,663)	(1,536)
	Council tax Rebate- Energy	0	(28)
	Flexible Housing	(10,772)	(10,739)
	Adult Social Care	(37,491)	(30,443)
	Ukraine Refugees Grant	(2,059)	(1,977)
GLA Grants	GLA Grants	(1,265)	(2,369)
Home Office Grants	Home Office Grants	(3,587)	(3,037)
Various Government Depts	Other Revenue Grants	(7,586)	(6,560)
Contributions	NHS Bodies	(26,674)	(20,272)
	Other Bodies	(6,893)	(5,208)
Capital Grants to services	Disability Facility Grant	(3,215)	(3,390)
Total Government Grants		(558,589)	(547,894)

	2024/25	2023/24
	£000	£000
Credited to Taxation and Non-Specific Grant Income		
	New Homes Bonus	(1,789)
	Revenue Support Grant	(27,333)
	S31 Business Rate Relief	(25,892)
	Services Grant	(572)
	Other General Grants	(2,026)
Sub Total Government Grants	(57,612)	(54,218)
	Business Rates (NNDR) top up	(66,718)
Sub Total Revenue Grants	(124,330)	(116,189)
	Capital Grants	(69,828)
	Donations	(9)
Total	(194,167)	(207,355)

NOTES TO THE STATEMENTS

The Council has received a number of capital grants and contributions that have yet to be recognised as income as they have unmet conditions attached to them that will require the money or property to be returned. The balances at the year-end are as follows:

	2024/25	2023/24
Capital Grants & Contribution Received in Advance	£000	£000
New Build Grant	(69,996)	(76,930)
S106 Contribution	(17,452)	(21,768)
DBEIS Funding	(8,652)	(8,804)
Mayors Land Fund	0	(5,000)
DLUCH Grants	(479)	(3,296)
Other Grants	(1,271)	(374)
Total	(97,850)	(116,172)

	2024/25	2023/24
Capital Grants Received in Advance Balance Sheet Analysis	£000	£000
Short Term	(80,398)	(94,404)
Long Term	(17,452)	(21,768)
Total	(97,850)	(116,172)

	2024/25	2023/24
Revenue Grants Received in Advance	£000	£000
GLA Revenue Grants	0	(41)
DLUHC Revenue Grants	0	(33)
CO - One Pub Est Pship	(230)	(230)
Total	(230)	(304)
Total Grants & Contributions Received in Advance	(98,080)	(116,476)

31. Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, most of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., housing benefits). Grants received from government departments are set out in note 30 Grant income.

Pooled Budgets

The Council has entered into partnership agreements under Section 75 of the Health Act 2006. The specific details of these partnerships are shown in note 26 relating to Pooled Budgets.

Pension Fund

The pension fund accounts are set out elsewhere in the Statement of Accounts. The pension fund operates a separate bank account and makes investments separately from the Council. The pension fund owed the council £0.546m as at 31 March 2025 and the Council charged the fund £0.966m for administration in 2024/25 (£0.305m and £0.840m respectively in 2023/24).

NOTES TO THE STATEMENTS

Homes for Haringey Limited, and Alexandra Park and Palace Charitable Trust Limited

Both are wholly owned subsidiaries of Haringey Council and have been consolidated into the Council's Group Accounts. The net value of payments and receipts in 2024/25 were £6.7 million and £0.2 million respectively £7.0 million and £2.3 million in 2023/24).

The Total debt owed by Alexandra Park and Palace Charitable Trust at the year-end is £48.9m. Most of these debts (£43.1m), are historic debt balances owed by the Trust that have not been legally discharged. £5.1m of the remaining debt relates to loans for refurbishment of the Ice Rink facility, the West Yard Storage and lighting, which are being repaid by the Trust in line with the loan agreements.

The historic debt dates back to previous decades when the Council expended funds on behalf of the Trust. Although the debt has not been legally discharged, the Council has agreed that it will only seek to recover the debt when the Trust is in a position to repay amounts due.

North London Waste Authority (NLWA)

NLWA has seven participating boroughs, and each borough can appoint up to 2 members to the board. The value of the levy paid is disclosed in note 7.

Members and Senior Officers

Members of the Council including the Mayor have direct control over the Council's financial and operating policies. The total of members allowances paid in 2024/25 is shown in note 24. Members of the Council and senior officers participate in and are members of a variety of other public bodies and community groups either in a personal capacity or appointment by the Council. In 2024/25, Haringey has provided financial support to or purchased

services from 11 charitable or voluntary organisations (12 in 2023/24) in which 30 members have declared an interest (27 in 2023/24). 19 of these instances were as a representative of the Council and 11 in a personal capacity (16 and 11 respectively in 2023/24). In 2024/25, the total value of payments made, and amounts received was £2.102 million (£4.259 million in 2023/24) and the total value of amounts due was £0.145 million (£0.172 million in 2023/24).

The balance due to Haringey at the end of the year in respect of a loan made to Bernie Grant Centre is £0.340 million. The Centre is a registered charity and performing arts centre in Tottenham set up in memory of MP Bernie Grant.

The Council has well established mechanisms and procedures for preventing undue influence in awarding of contracts or grant funding to organisations. Supporting these mechanisms is the disclosure of interests in the Register of Members' Interest which is open to public inspection at George Meehan House, 294 High Road, Wood Green, London N22 8YX. This note has been compiled using this register and individual declarations made by elected members and senior officers. One ex-senior officer did not submit a declaration form.

NOTES TO THE STATEMENTS

32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2024/25	2023/24
	£'000	£'000
Capital Financing Requirement at 1 April	1,219,671	1,120,900
<i>Capital investment</i>		
- Property, Plant and Equipment	219,436	214,079
- Long term loans	6,025	10,712
- Investment Properties	75	30
- Intangible Assets	3,086	3,597
- REFCUS	24,563	9,601
	253,185	238,020
<i>Sources of finance</i>		
- Capital receipts	(7,215)	(12,336)
- Government grants and other contributions	(78,397)	(88,271)
- Major Repairs Allowance	(22,891)	(22,901)
- Direct revenue contributions	(1,898)	(210)
- Minimum Revenue Provision	(31,103)	(15,531)
	(141,504)	(139,249)
Closing CFR	1,331,352	1,219,671
Explanation of movements in year		
Provision to reduce underlying need to borrow (MRP)	(31,103)	(15,531)
Increase in underlying need for supported borrowing	142,784	114,300
Increase/(Decrease) in CFR	111,681	98,769

NOTES TO THE STATEMENTS

33. Leases

Change in Accounting Policy and Transition to IFRS 16 Lease Accounting

In 2024/25 the Council applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e., without recognising the leased property as an asset and future rents as a liability) a right-of use asset and a lease liability are to be brought into the balance sheet at 1 April 2024.

Leases for items of low value and lease that expire on or before 31 March 2025 are exempt from the new arrangements. IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- The incremental borrowing rates used to discount liabilities was determined based on the remaining lease term
- In relation to temporary accommodation rolling monthly leases, we have calculated interest, lease liability and right of use asset for 3 years, as there is a history of rolling them forward each year with a typical 3-year contract
- Right-of-use assets are measured at the amount for the lease liability, on 31 March 2025 – any initial direct costs have been excluded
- All leases were assessed to determine if any were onerous, and it was confirmed that none were identified as such
- The council has elected to apply the practical expedient allowed under IFRS 16 for short term leases. Leases with a term of 12 months or less, for which there is no option to purchase the underlying asset, are not recognised on the balance sheet. Instead, payments for these leases are charged to the CIES

This has resulted in the following additions to the balance sheet:

- £53,808k Property, plant and equipment (right-of-use assets)
- £27,101k Non-current creditors (lease liabilities)
- £19,361k Current creditors (lease liabilities)

NOTES TO THE STATEMENTS

Authority as Lessee - Finance leases

The Council holds several assets under finance leases. The assets acquired under these leases are carried as investment property or property, plant and equipment in the Balance Sheet at the following net amounts.

Right of Use Assets	Other Land and Buildings	Temporary Accommodation	Vehicles, Plant, Furniture and Equipment
	£'000	£'000	£'000
Balance at 1 April 2024	17,097	27,645	3,037
Additions	27	0	26,137
Revaluations	(5,942)	0	
Depreciation and Amortisation	0	(9,215)	(7,916)
Balance at 31 March 2025	11,182	18,430	21,258

NOTES TO THE STATEMENTS

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts.

	31/03/25	31/03/24
	£'000	£'000
Finance lease liabilities (NPV of minimum lease payments)		
- current	20,406	1,046
- non-current	52,874	25,773
years	71,120	59,970
Total	144,400	86,789

These minimum lease payments will be payable over the following periods.

	Minimum Lease Payments		Finance Lease Liabilities	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Less than one year	21,330	2,296	20,406	1,046
Between one and five years	32,233	7,761	25,767	3,279
Later than five years	90,837	76,732	27,107	22,494
Total	144,400	86,789	73,280	26,819

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

Authority as Lessee - Operating leases

The Council enters into operating lease agreements to acquire the use of plant, vehicles, equipment and computers. The future minimum lease payments due under non-cancellable leases in future years are as follows:

	31/03/25	31/03/24
	£'000	£'000
Not later than one year	206	547
Later than one year and not later than five years	58	1,209
Later than five years	807	807
Total	1,071	2,563

There are no material contingent rents or sub-leases in relation to these operating leases. There were no subleases in relation to these operating leases at the Balance Sheet date.

Authority as Lessor - Operating leases

The Council leases out property and equipment under operating leases for the following purposes:

- Community services, such as sports facilities, tourism services and community centres
- Economic development to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are as follows.

NOTES TO THE STATEMENTS

	31/03/25	31/03/24
	£'000	£'000
Not later than one year	7,063	7,264
Later than one year and not later than five years	18,877	17,946
Later than five years	87,330	88,847
Total	113,270	114,057

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

34. Service Concession Arrangements

In 2000, the Council entered into a PFI contract that encompassed major building work and ongoing facilities management for its eight secondary schools. In February 2007, the agreement was suspended, and all of the assets were brought back onto the Council's balance sheet.

The remaining contract that the Council has with the contractor is for the repayment of the outstanding liability of debt incurred when the original PFI works were first undertaken. This debt has also been recognised within the Council's Balance Sheet. Payments to the contractor including indexation were £4.337 million in 2024/25 (£4.324 million in 2023/24). The PFI arrangement ends in September 2025.

The Council receives a £5.669 million revenue grant annually from the Government to assist in financing the PFI scheme.

Future payments to be made

Future payments to be made in respect of the PFI arrangement are shown below. These future payments take into account any future

indexation of the cost that may be agreed between the provider and the Council in future years. However, the impact of any future indexation is minimal as the majority of the unitary charge is fixed.

	Reimbursement		
	of Capital Exp	Interest	Total
	£'000	£'000	£'000
Payable in 1 year	2,008	105	2,113
Total	2,008	105	2,113

Movement in PFI liability	£'000
Opening Balance as at 1/4/2024	5,924
Interest Charge	308
Payment during 2024/25	(4,225)
Closing balance as at 31/3/2025	2,008

NOTES TO THE STATEMENTS

35. Pension schemes accounted for as defined contribution schemes

Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Teachers' Pensions Agency. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2024/25 the Council paid £21.180 million (£17.063 million in 2023/24) to Teachers' Pensions in respect of teachers' pension costs which represented 24.13% of teachers' pensionable pay from April 2024 to March 2025. From 1st April 2025, the employer's contribution rate will increase to 28.68%. The expected contributions for 2025/26 is £25.652 million.

The Council is responsible for additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in note 36.

36. Defined benefit pension schemes

Participation in the Local Government Pension Scheme (LGPS)

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Officers' Pension Fund administered by Haringey Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Where appropriate, the following disclosures include group amounts in respect of some employees of Alexandra Palace and Palace Charitable Trust.

Discretionary post-retirement benefits

Discretionary post-retirement benefits on early retirement (added years) are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities. Included within the present value of unfunded liabilities detailed in the following notes is £19.215 million for the LGPS (£19. million in 2023/24) and £10.520 in respect of Teachers unfunded pensions (£12.274 million in 2023/24). At 31st March 2025 the Scheme had 765 members in respect of LGPS and 288 members in respect of Teachers unfunded pensions (836 and 309 respectively as at 31st March 2024).

Transactions relating to post-employment benefits

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement in Reserves Statement.

NOTES TO THE STATEMENTS

The following transactions have been made in the CIES:

	LGPS		Unfunded	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Cost of Services				
- Current Service Cost	37,352	40,291	0	0
- Past Service Cost	946	369	0	0
Total	38,298	40,660	0	0
Net Interest Expense	(4,370)	1,540	0	0
Total charged to SDPOS	33,928	42,200	0	0
Other Comprehensive Income and Expenditure				
- Return on plan assets	22,926	(89,569)	0	0
- actuarial gains/losses (changes in financial assumptions)	(250,111)	(73,230)	0	0
- actuarial gains/losses (changes in demographic assumptions)	(2,912)	(9,855)	0	0
- other	(16,115)	51,480	0	1,836
Changes in the effect of asset ceiling	558,629			
Total	312,417	(121,174)	0	1,836

	Group	
	2024/25	2023/24
	£'000	£'000
Cost of Services		
- Current Service Cost	37,365	40,305
- Past Service Cost	946	369
Total	38,311	40,674
Net Interest Expense	(4,472)	1,457
Total	33,839	42,131
Other Comprehensive Income and Expenditure		
- Return on plan assets	22,926	(89,835)
- actuarial gains/losses (changes in financial assumptions)	(250,116)	(73,326)
- actuarial gains/losses (changes in demographic assumptions)	(3,236)	(9,873)
- other	(16,145)	53,417
Changes in the effect of asset ceiling	558,629	0
Total	312,058	(119,617)

NOTES TO THE STATEMENTS

The following transactions have been made in the adjustments between accounting basis and funding basis under regulations line in the MIRS during the year for the single entity.

	2024/25	2023/24
	£'000	£'000
Reversal of net IAS 19 charges	(33,928)	(42,200)
Actual amount charged for pensions in the year	46,038	44,435

Pension assets and liabilities recognised in the Balance Sheet

	LGPS		Unfunded	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Present value of obligation	(1,982,630)	(1,629,133)	(28,679)	(32,204)
Fair value of plan assets	1,798,283	1,748,618	0	0
Net Asset/ (liability)	(184,347)	119,485	(28,679)	(32,204)

	Single Entity		Group Amounts	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Present value of defined benefit obligation	(2,011,309)	(1,661,337)	(2,013,931)	(1,664,345)
Fair value of plan assets	1,798,283	1,748,618	1,803,530	1,753,740
Net liability	(213,026)	87,281	(210,401)	89,395

NOTES TO THE STATEMENTS

Reconciliation of Movement in Fair Value of Scheme Assets

Scheme Assets	LGPS		Unfunded	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Opening fair value of scheme assets	1,748,618	1,603,961	0	0
Interest income	83,614	75,704	0	0
Remeasurement gain / (loss)				
- the return on plan assets	(22,926)	89,569	0	0
- other experience changes	0	0	0	0
Employer contributions	42,513	41,003	3,525	3,432
Contributions from employees into the scheme	12,380	12,090	0	0
Benefits paid	(65,916)	(73,709)	(3,525)	(3,432)
Effect of Business combinations & Disposals	0	0	0	0
Closing fair value	1,798,283	1,748,618	0	0

	Single Entity		Group Accounts	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Opening fair value of scheme assets	1,748,618	1,603,961	1,753,740	1,608,872
Interest income	83,614	75,704	83,856	75,931
Remeasurement gain / (loss)				
- the return on plan assets	(22,926)	89,569	(22,887)	89,835
- other experience changes	0	0	0	0
Employer contributions	46,038	44,435	46,062	44,458
Contributions from employees into the scheme	12,380	12,090	12,383	12,093
Benefits paid	(69,441)	(77,141)	(69,624)	(77,449)
Effect of Business combinations & Disposals	0	0	0	0
Closing fair value	1,798,283	1,748,618	1,803,530	1,753,740

NOTES TO THE STATEMENTS

Reconciliation of Present Value of Defined Benefit Obligation

Scheme Liabilities	LGPS		Unfunded	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Balance as at 1st April	(1,629,133)	(1,604,453)	(32,204)	(33,800)
Current service cost	(37,352)	(40,291)	0	0
Past service cost	(946)	(369)	0	0
Interest cost	(79,244)	(77,244)	0	0
Contributions from scheme participants	(12,380)	(12,090)	0	0
Remeasurement gain / (loss):				
- financial assumptions	250,111	73,230	0	0
- demographic assumptions	2,912	9,855	0	0
- other experience changes	16,115	(51,480)	0	(1,836)
Effect of Business combinations & Disposals	65,916	73,709	3525	3,432
Benefits paid	(558,629)			
Balance as at 31st March	(1,982,630)	(1,629,133)	(28,679)	(32,204)

Scheme Liabilities	Single Entity		Group Amounts	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Balance as at 1st April	(1,661,337)	(1,638,253)	(1,664,345)	(1,641,421)
Current service cost	(37,352)	(40,291)	(37,365)	(40,305)
Past service cost	(946)	(369)	(946)	(369)
Interest cost	(79,244)	(77,244)	(79,384)	(77,388)
Contributions from scheme participants	(12,380)	(12,090)	(12,383)	(12,093)
Remeasurement gain / (loss)			0	0
- financial assumptions	250,111	73,230	2,917	9,873
- demographic assumptions	2,912	9,855	250,435	73,326
- other experience changes	16,115	(53,316)	16,145	(53,417)
Benefits paid	69,441	77,141	69,441	77,449
Balance as at 31st March	(1,452,680)	(1,661,337)	(1,455,485)	(1,664,345)

NOTES TO THE STATEMENTS

Analysis of Scheme Assets:

Single Entity

2024/25	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	0	53,641	53,641	3
Private equity	0	123,557	123,557	7
Debt securities	245,436	0	245,436	14
Real estate: UK property	0	191,682	191,682	11
Investment funds and unit trusts				
- equities	774,073	0	774,073	43
- bonds	344,046	0	344,046	19
- infrastructure	0	65,847	65,847	4
Sub-total	1,118,119	65,847	1,183,966	66
Total assets	1,363,555	434,727	1,798,283	100

2024/25	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	0	20,344	20,344	1
Private equity	0	132,778	132,778	8
Debt securities	255,151	0	255,151	15
Real estate: UK property	0	193,076	193,076	11
Investment funds and unit trusts			0	
- equities	779,935	0	779,935	45
- bonds	300,163	0	300,163	17
- infrastructure	0	67,172	67,172	4
Sub-total	1,335,249	413,369	1,748,618	66
Total assets	1,335,249	413,369	1,748,618	100

Group Accounts

2024/25	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	105	53,641	53,746	3
Private equity	0	123,557	123,557	7
Debt securities	245,436	0	245,436	14
Real estate: UK property	0	192,259	192,259	11
Investment funds and unit trusts			0	
- equities	777,064	0	777,064	43
- bonds	345,620	0	345,620	19
- infrastructure	0	65,847	65,847	4
Sub-total	1,122,684	65,847	1,188,531	66
Total assets	1,368,225	435,304	1,803,530	100

2024/25	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	51	20,344	20,395	1
Private equity	0	132,778	132,778	8
Debt securities	255,151	0	255,151	15
Real estate: UK property	0	193,639	193,639	11
Investment funds and unit trusts			0	
- equities	783,316	0	783,316	45
- bonds	301,290	0	301,290	17
- infrastructure	0	67,172	67,172	4
Sub-total	1,339,808	413,932	1,753,740	66
Total assets	1,339,808	413,932	1,753,740	100

NOTES TO THE STATEMENTS

Basis for estimating assets and liabilities.

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. Liabilities are discounted to their value at current prices using a discount rate of 5.8% (4.8% in 2023/24).

The Council's Pension Scheme liabilities as at 31st March 2025 have been assessed by Hymans Robertson, an independent firm of actuaries, and are projections based on data pertaining to the full valuation of the scheme as 31st March 2022. There are risks and uncertainties associated with whatever assumptions adopted as these are in effect projections of future investment returns and demographic experience many years into the future. The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and HRA the amounts required by statute as described in the accounting policies note.

	2024/25	2023/24
Mortality assumptions		
- Longevity at 65 for male current pensioners	21.1 years	21.2 years
- Longevity at 65 for female current pensioners	24.0 years	24.0 years
- Longevity at 65 for male future pensioners	22.3 years	22.5 years
- Longevity at 65 for female future pensioners	25.6 years	25.6 years
Rate of increase in salaries	3.8%	3.8%
Rate of increase in pensions	2.8%	2.8%
Rate for discounting scheme liabilities	5.8%	4.8%

A commutation allowance is included for future retirements to elect to take 52% of the maximum additional tax-free cash up to HMRC limits. All other demographic assumptions are as per the latest funding valuation.

The estimate of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assumes that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

NOTES TO THE STATEMENTS

The impact on the liability of these changes would be as follows.

	Approximate increase to liability	Approximate value
	%	£'000
0.1% decrease in real discount rate	2	23,334
1 year increase in member life expectancy	4	58,107
0.1% increase in salary increase rate	0	886
0.1% increase in pension increase	2	23,087

Impact on the Council's Cash Flows

The objectives of the scheme are to achieve and maintain full funding on an ongoing basis and to seek stability of employers' contributions. At its last triennial valuation, the Council and the Fund's actuary agreed a strategy designed to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on a quarterly basis. The next triennial valuation is due to be completed as at 31st March 2025, during 2025/26.

To mitigate the existing funding deficit, the Council anticipates paying contributions of £43.099m for the period to 31st March 2025.

The scheme actuary has estimated that the weighted average duration of the defined benefit obligation for scheme members is 16 years.

37. Contingent assets and liabilities

The Council engaged a company to build the Broadwater Farm Inclusive Learning Campus. Due to several defective works, the Council has issued a letter notifying the company, of an initial claim of £8m.

There were no material contingent liabilities as at 31st March 2025.

38. Adjustments between group and single entity accounts

The Council uses different forms of service delivery and in some cases, it has created separate companies with its partners to deliver those services. The use of separate companies and Trusts means that the Council's single entity financial statements on their own may not fully reflect the assets and liabilities or income and expenditure associated with all its activities. The aim of the Group Accounts is to give an overall picture of the activities of the Council and the resources used to carry out those activities. The Group Accounts also provide further information on the material financial risks and benefits of all entities over which the Council exercises control, significant influence or joint control.

The Group Accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

To give a full picture of the financial activities of the Council, Group Accounts have been prepared which include those organisations where the Council's interest is considered material. This information is still subject to audit by each organisation's own auditor. Accordingly, the Group Accounts consolidate the Council's accounts with the following subsidiaries:

- Homes for Haringey Ltd
- Alexandra Park and Palace Charitable Trust (APPCT)

The entities have prepared accounts in line with UK GAAP and:

NOTES TO THE STATEMENTS

- The Charity SORP, in the case of Alexandra Park and Palace Charitable Trust
- FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland, in the case of Homes for Haringey.

With the exception of the Alexandra Park & Palace, there are no other material areas where these accounting standards conflict with the Council's accounting policies. The accounting policies applied to the Group financial statements are consistent with those set in Note 1 to the single entity statements. The subsidiaries have been consolidated on a full line by line basis with the financial transactions and balances of the Council.

APPCT carry its main asset, the Park and Palace, at £27m on its Balance Sheet (all of which are leaseholder improvements) as allowed under the Charity SORP. Upon consolidation however, the Council is required to value this as an operational asset and depreciate it in accordance with its accounting policy. The Group Balance Sheet therefore includes £130.149 million (£135.991 million as at 31 March 2023) in Property Plant and Equipment in respect of this asset. The basis of valuation is mainly Depreciated Replacement Cost with some elements using the Existing Use Value method.

Key information on a group basis has been included alongside the single entity disclosure notes for debtors, creditors, segmental reporting and defined benefit schemes. The following notes provide additional details of the Council's involvement in the entities consolidated to form the Group Accounts.

Homes for Haringey Limited (Company No. 05749092)

Homes for Haringey Limited (HfH) is a wholly owned subsidiary of the Council and was set up as an Arm's Length Management Organisation (ALMO) in March 2006. The Council could appoint one

third of the board, with the balance of directors being drawn from council tenants (including leaseholders) and members of the wider community. The ALMO managed and maintained council homes under the terms of a Management Agreement with the Council until 31 May 2022. The ALMO also assessed homeless applications and provided management and support for homeless households in temporary accommodation on behalf of the Council.

From 1 June 2022, following an insourcing of the housing management function, HfH ceased to provide these services mentioned above. HfH now solely undertakes the management of its own stock of private sector leases (PSLs) which provides temporary accommodation to homeless residents nominated by the Council. HfH is a private company, registered in England and limited by guarantee without share capital. The financial statements of HfH are consolidated within the Council's group accounts.

The financial performance of Homes for Haringey Limited is summarised below:

	2024/25	2023/24
	£000	£000
Turnover	(4,467)	(4,799)
(Surplus)/ Deficit for the year	67	181
Accumulated deficit/ (surplus)	151	84

A copy of HfH annual accounts can be obtained from the Company Secretary, Homes for Haringey Limited, 6th Floor 10 Station Road, London N22 7TR. The accounts are audited by Knox Cropper LLP.

NOTES TO THE STATEMENTS

Alexandra Park and Palace Charitable Trust (Charity No. 281991)

The principal activity of Alexandra Park and Palace Charitable Trust is to maintain and operate the park and palace for the free use and recreation of the public forever as defined in the Alexandra Park and Palace Act 1985. The Council is custodian trustee of the charity. The accounts have been consolidated on the basis that the Council has the power to govern the financial and operating policies of the entity so as to benefit from its activities.

The organisation consists of two elements; Alexandra Park and Palace Charitable Trust responsible for the charitable activities, including maintaining, restoring and repairing the Park and Palace and a wholly owned trading subsidiary, Alexandra Palace Trading Ltd, (APTL), which donates its taxable profit to the Trust in the form of Gift Aid. APTL delivers and manages events, entertainment, leisure and hospitality activities assisting the charitable purposes by providing not just funding but enlivening the venue for the purposes of its creation and encouraging a broad cross section of the public to access and enjoy it.

The financial performance of the Trust is summarised below:

	2024/25	2023/24
	£000	£000
Turnover	(28,626)	(24,236)
(Surplus) / Deficit for the year	(1,005)	1,582
Reserves:		
Unrestricted Reserves	(25,124)	(24,520)
Restricted Reserves	(1,119)	(718)
	<u>(26,243)</u>	<u>(25,238)</u>

APPCT Property, Plant and equipment consolidated in Group Accounts:

	Palace & Park	Asset Under Construct	Vehicles, plant and equipm't	Total
	£000	£000	£000	£000
Cost at 1 April 2024	130,149	0	3,075	133,224
Additions	2,433	22	452	2,907
Revaluations	(25,808)	182	0	(25,626)
Disposals	0	0	0	0
Transfers	204	(204)	0	0
At 31 March 2025	106,978	0	3,527	110,505
Depreciation				
At 1 April 2024	0	0	1,530	1,530
Transfer	0	0	0	0
Charge for the year	1,240	0	334	1,574
Disposals	0	0	0	0
Accumulated Dep written out	(1,240)	0	0	(1,240)
At 31 March 2025	0	0	1,864	1,864
NBV as 31 March 2025	106,978	0	1,663	108,641
NBV as 31 March 2024	130,149	0	1,545	131,694

A full copy of the Trust's accounts can be obtained from the Chief Executive, Alexandra Park and Palace, Alexandra Palace Way, London N22 7AY. The accounts are audited by Hays Macintyre LLP.

Supplementary Financial Statements

HOUSING REVENUE ACCOUNT

HRA Income & Expenditure Statement	2024/25	2023/24
	£'000	£'000
Expenditure		
Repairs and maintenance	40,191	33,426
Supervision and management	43,162	41,329
Rents, rates, taxes and other charges	5,897	3,550
Depreciation	22,891	22,886
Revaluation (gains) / losses	152,669	104,592
Debt Management Costs	49	43
Increase in impairment of debtors	2,028	2,782
Total Expenditure	266,887	208,608
Income		
Dwelling rents	(100,373)	(92,359)
Non-dwelling rents	(708)	(756)
Charges for services and facilities	(27,423)	(22,336)
Contributions towards expenditure	(3,401)	(161)
Total Income	(131,905)	(115,612)
Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement	134,982	92,996
HRA service share of Corporate and Democratic Core	681	682
Net expenditure or (income) for HRA Services	135,663	93,678
HRA share of operating income and expenditure included in the Comprehensive I&E Statement		
Gain on sale of HRA non-current assets	(4,729)	(6,229)
Interest payable and similar charges	16,943	13,794
Interest and investment Income	(4,886)	(3,847)
Net interest on the net defined benefit liability	(594)	198
Changes to fair value of investment properties	(324)	1,693
Capital grants and contributions	(42,238)	(61,373)
	(35,828)	(55,764)
(Surplus) or deficit for the year on HRA services	99,835	37,914

HOUSING REVENUE ACCOUNT

Movement on the HRA Statement	2024/25	2023/24
	£'000	£'000
Balance on the HRA at the end of the previous year	(22,348)	(21,517)
(Surplus) or deficit for the year on HRA Income and Expenditure Statement	99,835	37,914
Adjustments between accounting basis and funding basis under the legislative framework		
- Difference between any other item of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	(110,113)	(44,855)
- Gain on sale of HRA non-current assets	4,729	6,228
- HRA share of contributions to or from the Pensions Reserve	952	(118)
- Capital expenditure funded by the HRA	1,600	0
- Transfer to/(from) Major Repairs Reserve	22,891	22,886
- Transfer to/(from) Capital Adjustment Account	(22,891)	(22,886)
Net increase before transfers to or from reserves	(2,997)	(831)
Transfers to or (from) reserves		
- Homes for Haringey Reserve	0	0
Increase in year on the HRA	(2,997)	(831)
Balance on the HRA at the end of the year	(25,345)	(22,348)

HOUSING REVENUE ACCOUNT

1. Vacant possession

As at 31st March 2025, the vacant possession value of dwellings within the HRA was £6,871 million (£6,444 million as at 31st March 2024). The difference between vacant possession value and the Balance Sheet value of dwellings within the HRA shows the economic cost to government of providing council housing at less than open market rents, net of the impairment to the value of the housing Stock.

2. Number and types of dwellings in the housing stock

	31 March 2025	31 March 2024
Hostels	103	103
Houses and bungalows	4,962	4,955
Flats and maisonettes	10,936	10,443
Shared ownership	13	13
Total	16,014	15,514

3. Value of assets held on the balance sheet

	31 March 2025	31 March 2024
Type of assets	£'000	£'000
Dwellings	1,754,173	1,619,124
Other land and buildings	188,304	159,653
Assets under construction	204,414	269,590
Surplus assets	1,120	176
Investment properties	4,456	4,072
Total	2,152,467	2,052,615

4. Capital expenditure

The following summarises HRA capital expenditure on land, houses and other property during the financial year and the sources of funding used.

	2024/25	2023/24
	£'000	£'000
<i>Capital investments</i>		
Existing dwellings	41,640	40,196
New homes and acquisitions	118,300	118,528
	159,940	158,724
<i>Funded by</i>		
Borrowing	83,917	71,751
Useable capital receipts	2,673	7,533
Revenue contributions	1,600	0
Grants and contributions	48,859	56,539
Major repairs reserve	22,891	22,901
	159,940	158,724

5. Capital receipts

The following is a summary of capital receipts from disposals of land, dwellings and other property within the HRA during the financial year.

	2024/25	2023/24
	£'000	£'000
Dwellings	(9,059)	(11,091)
Land and other property	(359)	(395)
	(9,418)	(11,486)

HOUSING REVENUE ACCOUNT

6. Depreciation

	2024/25	2023/24
	£'000	£'000
<i>Operational assets:</i>		
Dwellings	21,317	21,356
Other land and buildings	1,574	1,530
	22,891	22,886

7. Major Repairs Reserve

The HRA capital asset charges are based on building values and asset lives of the property held.

	2024/25	2023/24
	£'000	£'000
Balance at 1st April	0	(15)
Amount transferred to Major Repairs Reserve	(22,891)	(22,886)
Capital expenditure on dwellings	22,891	22,901
Balance at 31st March	0	0

COLLECTION FUND

	2024/25				2023/24			
	BRS £000	NNDR £000	Council Tax £000	Total £000	BRS £000	NNDR £000	Council Tax £000	Total £000
Income								
Council Tax Receivable	0	0	(180,322)	(180,322)	0	0	(165,573)	(165,573)
Council Tax Discounts Funded from Billing Authority General	0	0	(246)	(246)	0	0	(875)	(875)
Business Rates Receivable	0	(70,155)	0	(70,155)	0	(62,270)	0	(62,270)
Business Rates Supplement	(1,645)	0	0	(1,645)	(1,642)	0	0	(1,642)
Transitional Protection Payments	0	(2,497)	0	(2,497)	0	(9,085)	0	(9,085)
	(1,645)	(72,652)	(180,568)	(254,865)	(1,642)	(71,355)	(166,448)	(239,445)
Expenditure								
Precepts, Demands and Shares								
Central Government	0	22792	0	22792	0	22996	0	22996
Greater London Authority	0	25,554	38,596	64,150	0	25,783	34,609	60,392
Billing Authority	0	20,720	133,941	154,661	0	20,905	124,215	145,120
	0	69,066	172,537	241,603	0	69,684	158,824	228,508
Apportionment of PY Surplus / (Deficit)								
Central Government	0	2,335	0	2,335	0	(1,033)	0	(1,033)
Greater London Authority	0	2,618	726	3,344	0	(1,158)	(36)	(1,194)
Billing Authority	0	2,123	2,607	4,730	0	(939)	(137)	(1,076)
	0	7,076	3,333	10,409	0	(3,130)	(173)	(3,303)
BRS - Payment to Levying Authorities	1,410	0	0	1,410	1,399	0	0	1,399
Charges to Collection Fund								
Increase / (Decrease) in Impairment	229	4,276	4,250	8,755	237	1,407	5,014	6,658
Increase / (Decrease) in Provision for Appeals	0	(6,421)	0	(6,421)	0	2,001	0	2,001
Cost of Collection	6	298	0	304	6	299	0	305
	235	(1,847)	4,250	2,638	243	3,707	5,014	8,964
(Surplus) / Deficit arising during the year	0	1,643	(448)	1,195	0	(1,094)	(2,783)	(3,877)
(Surplus) / Deficit arising at start of year	0	(9,364)	(3,552)	(12,916)	0	(8,270)	(769)	(9,039)
(Surplus) / Deficit arising at end of year	0	(7,721)	(4,000)	(11,721)	0	(9,364)	(3,552)	(12,916)

COLLECTION FUND

1. Income from Business Rates

Under the Business Rates Retention Scheme the business rates collected by the Council are distributed so that the Council receives 30%, DLUHC receives 33% and the GLA receives 37%.

The Council collects business rates for its area based on local rateable values and multipliers set by central government. There are two multipliers:

- (i) The small business multiplier was 49.9 pence (49.9 pence in 2023/24); and
- (ii) The standard multiplier was 54.6 pence (51.2 pence in 2023/24).

The total business rateable value for the Council at 31 March 2025 was £214.502 million (£211.658 million in 2023/24) of which £90.885 million (£91.512 million in 2023/24) related to small businesses.

2. Council Tax

In 2024/25 the tax base for Haringey was 81,875 properties (79,718 in 2023/24) which was used to calculate the Band D Council Tax of £2,107.32 (£1,992.32 in 2023/24), sufficient to generate the income required to cover the net expenditure of the two authorities which precept on the Collection Fund. The table below shows the number of properties in each band and the number of Band D equivalent properties after allowing for non-collection (the tax base).

Band	Ranges from £	to £	Number of chargeable dwellings		Proportion	Band D Equivalent No.	
			2024/25	2023/24		2024/25	2023/24
A	up to	40,000	4,578	4,502	0.67	3,052	3,001
B	40,001	52,000	12,025	12,074	0.78	9,353	9,391
C	52,001	68,000	25,672	25,257	0.89	22,819	22,450
D	68,001	88,000	21,738	21,137	1.00	21,738	21,137
E	88,001	120,000	9,368	9,171	1.22	11,450	11,209
F	120,001	160,000	4,863	4,804	1.44	7,024	6,939
G	160,001	320,000	4,512	4,491	1.67	7,521	7,486
H	320,001	and above	725	713	2.00	1,451	1,426
			83,482	82,149		84,408	83,039
Collection rate after allowance for non-collection						97.0%	96.0%
Council Tax base used to calculate Band D						81,875	79,718

PENSION FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON
BOROUGH OF HARINGEY

[TO BE INSERTED AT END OF AUDIT]

PENSION FUND

2024/25	Pension Fund Account	Note	2023/24	2024/25	Net Assets Statement	Note	2023/24
£000			£000	£000			£000
	Dealings with members, employers and others directly involved in the fund			150	Long Term Investments	13	150
62,276	Contributions	7	57,692	1,937,717	Investment assets	13	1,878,532
15,796	Transfers in from other pension funds	8	8,923	-	Investment liabilities	13	(4,800)
78,072			66,615	1,937,867	Total net investments		1,873,882
				2,453	Current assets	19	1,657
(73,669)	Benefits	9	(65,047)	(7,218)	Current liabilities	20	(4,480)
(10,545)	Payments to and on account of leavers	10	(12,328)		Net assets of the fund available to fund benefits at the end of the reporting period		
(84,214)			(77,375)	1,933,102			1,871,059
(6,142)	Net additions/(withdrawals) from dealings with members		(10,760)				
(7,114)	Management expenses	11	(6,931)				
(13,256)	Net withdrawals including fund management expenses		(17,691)				
	Returns on Investments:						
31,487	Investment Income	12	21,549				
-	Taxes on income		-				
43,812	Profit and losses on disposal of investments and changes in market value of investments	13a	159,023				
75,299	Net return on investments		180,572				
62,043	Net increase/decrease in the net assets available for benefits during the year		162,881				
1,871,059	Opening net assets of the scheme		1,708,178				
1,933,102	Closing net assets of the scheme		1,871,059				

PENSION FUND

Notes to the Haringey Pension Fund Accounts for the year ended 31st March 2025

1. Description of the fund

The Haringey Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by Haringey Council.

a) General

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation.

- The [Local Government Pension Scheme Regulations 2013](#) (as amended)
- The [Local Government Pension Scheme \(Transitional Provisions, Savings and Amendment\) Regulations 2014](#) (as amended)
- The [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#).

It is a contributory defined benefit pension scheme administered by Haringey Council to provide pensions and other benefits for pensionable employees of Haringey Council, a range of other scheduled bodies, and admitted bodies within the London Borough of Haringey area. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by Haringey Pension Fund's Combined Pensions Committee and Board, which is a committee of Haringey Council.

b) Fund administration and membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside of the scheme.

Organisations participating in the Haringey Pension Fund include the following:

- scheduled bodies, which are automatically entitled to be members of the fund.
- admitted bodies, which participate under the terms of an admission agreement between the fund and the employer. Admitted bodies include voluntary, charitable, and similar not-for-profit organisation, or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details of the Pension Fund are set out below:

Haringey Pension Fund	31 March 2025	31 March 2024
Number of employers	63	62
Number of employees in scheme		
Haringey Council	5,463	5,206
Other employers	1,100	1,093
Total	6,563	6,299
Number of pensioners		
Haringey Council	8,194	7,919
Other employers	1,034	987
Total	9,228	8,906
Deferred pensioners		
Haringey Council	8,806	9,172
Other employers	1,774	1,801
Total	10,580	10,973
Total number of members in pension scheme	26,371	26,178

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the [Local Government Pension Scheme Regulations 2013](#) and

PENSION FUND

ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employers' contributions are set based on triennial actuarial funding valuations. The valuation for the period to 31 March 2025 was carried out as at 31 March 2022. The primary employer contribution rate for the whole fund was 17.5%.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is uplifted annually in line with the Consumer Prices Index inflation rate.

A range of other benefits are also provided included early retirement, disability pensions and death benefits, as explained on the LGPS website – see www.lgpsmember.org.

2. Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2024/2025 financial year and its financial position at 31 March 2025. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting 2024/25* (the Code), which is based upon International Financial Reporting Standard (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to

disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 18.

3. Summary of significant accounting policies

Fund account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body.

Additional employer contributions in respect of ill-health and early retirements are accounted for in the year the event rose. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years would be classed as long-term financial assets.

PENSION FUND

b) Transfers to and from other schemes

Transfers in and out relate to members who have either joined or left the fund. Individual transfers in/out are accounted for when received or paid. Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment income

- i. Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.
- ii. Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- iii. Changes in value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

e) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance *Accounting for Local Government Pension Scheme Management Expenses* (2016), as show in the following table. All items of expenditure are charged to the fund on an accrual basis as follows:

Administrative expenses	All staff costs relating to the pensions administration team are charged directly to the fund. The Council recharges for management and legal costs which are also accounted for as administrative expenses of the fund.
Oversight and governance	All costs associated with governance and oversight are separately identified, apportioned to this activity, and charged as expenses to the fund.
Investment management expenses	Investment fees are charged directly to the fund as part of management expenses and are not included in, or netted from, the reported return on investments. Where fees are netted off returns by investment managers, these are grossed up to increase the change in value of investments. Fees charged by external investment managers and the custodian are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under management and therefore increase or reduce as the value of the investments change throughout the year. In addition, the fund has agreed with Pantheon Ventures and BlackRock that an element of their fee be performance related.

f) Taxation

The fund is a registered public service scheme under Section 1 (1) of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

PENSION FUND

Net assets statement

g) Financial assets

All investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. Any amounts due or payable in respect of trades entered into but not yet completed at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 13. Any gains or losses on investment sales arising from changes in the fair value of the net asset are recognised in the fund account.

The values of investments as show in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

h) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes

in value.

j) Loans and receivables

Financial assets classified as amortised cost are carried in the net asset statement at the value of outstanding principal receivable at the year-end date plus accrued interest.

k) Financial liabilities

A financial liability is recognised in the net assets statement on the date the fund becomes legally responsible for that liability. The fund recognises financial liabilities related to investments trading at fair value. Any gains or losses arising from changes in the fair value of the liability's value, between the contract date, the year-end date, and the eventual settlement date, are recognised in the fund account as part of the change in value of investments.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

l) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 18).

m) Additional voluntary contributions

The fund provides an additional voluntary contribution (AVC) scheme for its members. The assets of these AVCs are invested separately from those of the pension fund, and are therefore not included in the

PENSION FUND

accounts in accordance with Section 4 (1) (b) of the [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#). However, this information is disclosed in Note 21 for informational purposes only.

n) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by future events.

A contingent liability arises where an event prior to the end of the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

4. Critical judgements in applying accounting policies

The Council has not applied any critical judgements in applying accounting policies in the preparation of the statement of accounts.

5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends, and future expectations. However, actual outcomes could be different from assumptions and estimates made. The items in the net assets statement for which there is a significant risk of material adjustment the following year are as follows:

Items	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 18)	Estimation of the net liability to pay pensions depends on several complete judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	For instance: - a 0.1% decrease in the discount rate would increase future pension liabilities by c. £23m (2%) - a 0.1% increase in earnings inflation would increase future pension benefits by c. £0.9m (0%) - a one-year increase in assumed life expectancy would increase future pension benefits by c. £58m (4%)
Private equity investments (Note 14)	Private equity investments are valued at fair value in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines</i> (December 2018). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation. For the purposes of estimation, private equity investments include infrastructure and private debt.	Private equity investments are valued at £204m in the financial statements. There is a risk that this investment may be under- or overstated in the accounts by up to 5% i.e., an increase or decrease of approximately £10m.

PENSION FUND

6. Events after the reporting date

No significant events occurred after the reporting date.

7. Contributions receivable

2024/25		2023/24
£000	By category	£000
14,122	Employee contributions	13,305
	Employer contributions	
47,370	- Normal contributions	43,850
-	- Deficit recovery contributions	-
784	- Augmentation contributions	537
48,154	Total employers' contributions	44,387
62,276	Total contributions receivable	57,692

2024/25		2023/24
£000	By type of employer	£000
55,508	Administering authority	51,489
6,048	Scheduled bodies	5,553
720	Admitted bodies	650
62,276	Total contributions receivable	57,692

8. Transfers in from other pension funds

During 2024/25, there were transfers of £15.8 million into the Pension Fund, an increase compared to £8.9 million in 2023/24. These transfers are all related to individuals.

9. Benefits payable

2024/25		2023/24
£000	By category	£000
57,375	Pensions	52,380
14,951	Commutation and lump sum retirement benefits	10,721
1,343	Lump sum death benefits	1,946
73,669	Total benefits payable	65,047

9. Benefits payable (continued)

2024/25		2023/24
£000	By type of employer	£000
65,433	Administering authority	57,747
5,653	Scheduled bodies	5,143
2,583	Admitted bodies	2,157
73,669	Total benefits payable	65,047

10. Payments to and on account of leavers

2024/25		2023/24
£000		£000
182	Refunds to members leaving service	215
10,363	Individual transfers	12,113
10,545	Total	12,328

PENSION FUND

11. Management Expenses

2024/25		2023/24
£000		£000
1,337	Administrative costs	1,018
5,410	Investment management expenses	5,651
367	Oversight and governance costs	262
7,114	Total management expenses	6,931

11a. Investment Management Expenses

2024/25		2023/24
£000		£000
4,959	Management Fees	4,738
-	Performance Related Fees	529
69	Custody fees	92
382	Transaction Fees	292
5,410	Total	5,651

12. Investment income

2024/25		2023/24
£000		£000
31,121	Pooled investments - unit trusts and other managed funds	21,207
366	Interest on cash deposits	342

31,487

Total

21,549

13. Investments

Market Value 31 March 2025		Market Value 31 March 2024
£000	Investment assets	£000
	Pooled funds	
834,154	Global equity	837,719
456,998	Fixed income unit trusts	420,823
146,239	Multi-asset absolute return fund	141,154
70,958	Infrastructure funds	72,148
1,508,349		1,471,844
	Other investments	
206,560	Pooled property investments	192,182
133,147	Private equity funds	142,615
31,999	Infrastructure debt funds	34,478
371,706		369,275
57,437	Cash deposits	37,126
225	Accrued Income	287
1,937,717	Total investment assets	1,878,532
	Long-term investments	
	UK unquoted equities	
150	Shares in London CIV	150
	Investment liabilities	
-	Payables for purchases	(4,800)

PENSION FUND

1,937,867

Total net investment assets

1,873,882

13b. Investments analysed by fund manager

13a. Reconciliation of movements in investments and derivatives

2024/25	Market Value 1 April 2024	Purchases at cost	Sales proceeds	Change in market value	Market Value 31 March 2025
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,841,119	81,465	(86,680)	44,151	1,880,055
	1,841,119	81,465	(86,680)	44,151	1,880,055
Other Investment balances					
Cash deposits	37,126			(339)	57,437
Investment income due	287			-	225
Payable for purchases of Investments	(4,800)			-	-
Total	1,873,732			43,812	1,937,717

2023/24	Market Value 1 April 2023	Purchases at cost	Sales proceeds	Change in market value	Market Value 31 March 2024
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,667,019	192,902	(177,877)	159,075	1,841,119
Cash deposits	42,639	70,457	(75,920)	(50)	37,126
Other investment assets/ liabilities*	166	136	(4,813)	(2)	(4,513)
Total	1,709,824	263,495	(258,610)	159,023	1,873,732

Market Value 31 March 2025			Market Value 31 March 2024	
£000	%		£000	%
Investments managed by London CIV asset pool:				
960,939	49.6	Legal & General Investment Management	960,774	51.3
146,239	7.5	LCIV Absolute Return	141,154	7.5
192,515	9.9	LCIV Multi-Asset Credit	146,779	7.8
46,788	2.4	LCIV Renewable Infrastructure	36,819	2.0
22,047	1.1	London Fund	17,927	1.0
137,700	7.1	LCIV Long Duration Buy and Maintain Credit Fund	150,998	8.1
1,506,228	77.6		1,454,451	77.7
Investments managed outside of London CIV asset pool:				
133,147	6.9	Pantheon	142,615	7.6
106,571	5.5	CBRE Global Investors	99,824	5.3
83,592	4.3	Aviva Investors	84,887	4.5
31,999	1.7	Allianz Global Investors	34,478	1.8
3,419	0.2	BlackRock	20,053	1.1
20,752	1.1	CIP	15,276	0.8
52,009	2.7	In-house cash deposits*	22,148	1.2
431,489	22.4		419,281	22.3
1,937,717	100.0	Total	1,873,732	100.0

*In-house cash excludes non-discretionary cash managed by external managers. Any such cash is allocated to the respective asset manager.

PENSION FUND

The following investments represent over 5% of net assets of the fund.

Market Value 31 March 2025			Market Value 31 March 2024	
£000	%		£000	%
364,905	18.8	LGIM MSCI World Low Carbon Index Fund	358,473	19.1
343,099	17.7	LGIM RAFI Multi Factor Climate Transition Fund	356,725	19.0
192,512	9.9	LCIV Long Duration Buy and Maintain Credit Fund	150,998	8.1
146,239	7.5	LCIV Multi-Asset Credit	146,779	7.8
137,700	7.1	LCIV Absolute Return Fund (Ruffer LLP)	141,154	7.5
126,786	6.5	LGIM Index Linked Gilts (Over 5 year) Fund	123,056	6.6
126,149	6.5	LGIM Bespoke Low Carbon Emerging Markets Fund	122,519	6.5
1,437,390	74.0	Total	1,399,704	74.6

14. Fair Value – Basis of valuation

All investment assets are valued using fair value techniques based in the characteristics of each instrument where possible, using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds, and unit trusts.

Level 2 – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable data.

Level 3 – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The valuation basis for each category of investment asset is set out below:

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Quoted equities and pooled fund investments	The published bid market price on the final day of the accounting period	Not required	Not Required
Quoted fixed income bond and unit trusts	Quoted market value based on current yields	Not required	Not Required
Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not Required

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Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			
Amounts receivable from investment sales	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Investment debtors and creditors	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 2			
Pooled property funds where regular trading takes place	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not Required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 2			
Unquoted fixed income bonds and unit trusts	Average broker prices	Evaluated price feeds	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3			
Pooled property funds where regular trading does not take place	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Not required

Shares in London CIV asset pool	Based on the historical cost at acquisition of shares	Not required	Not required
Other unquoted and private equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by changed to expected cashflows or by differences between

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Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 3	Capital Valuation Guidelines 2018		audited and unaudited accounts.

Sensitivity of assets valued at level 3

The fund has determined that the valuation methods described above for Level 3 investments are expected to be accurate within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

	Potential variation in fair value	Valuation as at 31 March 2025	Value on Increase	Value on Decrease
		£000	£000	£000
Pooled property investments	2%	105,638	107,751	103,525
Private equity and joint venture funds	5%	133,147	139,804	126,490
Infrastructure funds	5%	70,958	74,506	67,410
Total		309,743	322,061	297,425

14a. Fair value hierarchy

The following table provides an analysis of the assets and liabilities

of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values as at 31 March 2025	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant unobservable inputs Level 3 £000	Total £000
Financial assets / liabilities at fair value through profit and loss				
Pooled investments	1,437,390	32,000	70,958	1,540,348
Pooled property investments	-	100,922	105,638	206,560
Private equity	-	-	133,147	133,147
Cash deposits	57,437	-	-	57,437
Accrued income	225	-	-	225
Payables for investment purchases	-	-	-	-
Total	1,495,052	132,922	309,743	1,937,71

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Values as at 31 March 2024	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
Financial assets / liabilities at fair value through profit and loss				
Pooled investments	1,399,696	34,478	72,148	1,506,322
Pooled property investments	-	89,380	102,802	192,182
Private equity	-	-	142,615	142,615
Cash deposits	37,126	-	-	37,126
Accrued income	287	-	-	287
Payables for investment purchases	(4,800)	-	-	(4,800)
Total	1,432,309	123,858	317,565	1,873,732

14b. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

14c. Reconciliation of fair value measurements within level 3

2024/25	Value at 1st April 2024	Purchases in the year	Sales in the year	Unrealised gains (losses)	Realised gains (losses)	Value at 31st March 2025
	£000	£000	£000	£000	£000	£000
Pooled UK property unit trusts	102,802	3,477	(314)	(327)	-	105,638
Private Equity	142,615	4,431	(15,380)	(10,475)	11,956	133,147
Infrastructure	72,148	17,923	(10,000)	(12,850)	3,737	70,958
Total	317,565	25,831	(25,694)	(23,652)	15,693	309,743

15. Classification of financial instruments

	31 March 2025		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,540,348		
Pooled property investments	206,560		
Private equity	133,147		
Equities		150	
Cash	39,512	17,925	
Debtors		2,453	
Other investment balances		225	

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Total financial assets	1,919,567	20,753	-
Financial liabilities			
Other investment balances			-
Creditors			(7,218)
Total financial liabilities	-	-	(7,218)
Grand total	1,919,567	20,753	(7,218)

All realised gains and losses arise from the sale or disposal of financial assets that have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

2024/25		2023/24	
£000		£000	
	Financial Assets		
44,152	Fair value through profit or loss		159,075
(340)	Financial assets and liabilities at amortised cost		(52)
<u>43,812</u>		<u>159,023</u>	

31 March 2024			
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,506,322		
Pooled property investments	192,182		
Private equity	142,615		
Equities		150	
Cash	31,295	5,831	
Debtors		1,657	
Other investment balances		287	
Total financial assets	1,872,414	7,925	-
Financial liabilities			
Other investment balances			(4,800)
Creditors			(4,480)
Total financial liabilities	-	-	(9,280)
Grand total	1,872,414	7,925	(9,280)

15a. Net gains and losses on financial instruments

16. Nature and extent of risks arising from Financial Instruments

Risk and risk management

The fund's primary long-term risk is that its assets will fall short of its liabilities (i.e., promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. The fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the fund's risk management strategy rests with the pension fund's Combined Committee and Board. Risk management policies are established to identify and analyse the risks faced by the pension fund's operations, then reviewed regularly to reflect changes in activity and market conditions.

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a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements, and the overall asset mix. The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio's strategic asset allocation across different asset classes, industry sectors, and jurisdictions. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis on a regular basis. The strategic asset allocation is reviewed each quarter and any significant deviations from this are rebalanced as appropriate.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or by factors affect all such instruments in the market.

The fund is exposed to share price risk. The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

Other price risk – sensitivity analysis

A significant portion of the pension fund's assets are invested in pooled investment vehicles with underlying assets which can fluctuate daily as market prices change. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns. The assessment of the potential volatilities is consistent with a one standard deviation movement in the change in value of assets over the last three years.

As at 31 March 2025	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	960,939	12.0	1,076,252	845,627
Fixed Income	476,455	11.9	533,153	419,757
Property	206,670	6.3	219,690	193,650
Alternatives	236,104	16.5	275,062	197,147
Cash	57,549	0.0	57,549	57,549
Total Assets	1,937,717		2,161,706	1,713,730

As at 31 March 2024	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	960,774	12.0	1,076,067	845,481
Fixed Income	438,931	11.9	491,164	386,698
Property	187,631	6.3	199,452	175,810
Alternatives	249,241	16.5	290,366	208,116
Cash	37,155	0.0	37,155	37,155
Total Assets	1,873,732		2,094,203	1,653,261

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Interest rate risk

The fund recognises that interest rates can vary and can affect both income into the fund and the carrying value of fund assets, both of which affect the value of net assets available to pay benefits. A 100-basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy.

Interest rate risk – sensitivity analysis

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

Assets exposed to interest rate risk:

	Interest earned 2024/25	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	366	425	265
Total	366	425	265

	Interest earned 2023/24	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	342	407	233
Total	342	407	233

Currency risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. The table below demonstrates how a 10% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows.

Currency risk – sensitivity analysis

As at 31 March 2025	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	473,073	10.0	520,381	425,766
Fixed Income	192,515	10.0	211,766	173,263
Private equity	133,147	10.0	146,462	119,832
Infrastructure	24,171	10.0	26,588	21,754
Cash	19,563	10.0	21,520	17,607
Total Assets	842,469	10.0	926,717	758,222

As at 31 March 2024	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	480,900	10.0	528,990	432,810
Fixed Income	146,779	10.0	161,457	132,101
Private equity	142,615	10.0	156,877	128,354
Infrastructure	35,329	10.0	38,862	31,796
Cash	5,416	10.0	5,958	4,874
Total Assets	811,039	10.0	892,144	729,935

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b) Credit risk

Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the fund to incur a financial loss. Assets potentially affected by this risk are investment assets, cash deposits and third-party loans. The selection of high-quality counterparties, brokers and financial institutions minimises credit risk and the market values of investments generally reflect an assessment of credit risk.

Credit risk may also occur if an employing body not supported by central government does not pay contributions promptly, or defaults on its obligations. The pension fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties. All contributions due at 31 March 2025 were received within the first two months of the financial year.

Money market funds and bank accounts all have AAA rating from a leading ratings agency, and the pension fund has experienced no defaults from fund managers, brokers or bank accounts over the past five years.

Summary	Credit Rating	Balances at 31 March 2025	Balances at 31 March 2024
		£000	£000
Money Market Funds			
Blackrock institutional sterling liquidity fund	AAA	7,925	780
Invesco liquidity fund	AAA	10,000	5,000
Bank current accounts			
Northern Trust	A+	39,513	31,295
Barclays Bank plc	A+	142	51
Total		57,580	37,126

c) Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The pension fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments.

Refinancing risk

The key risk is that the pension fund will need to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The pension fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

17. Funding Arrangements

In line with the [Local Government Pension Scheme Regulations 2013](#) the fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contributions rates for the forthcoming triennial period. The pensions fund accounts for the period were based on the most recent valuation which took place as at 31 March 2022.

The key elements of the funding policy are:

- to ensure the long-term solvency of the fund, using a long-term prudent view i.e., that sufficient funds are available to meet all members'/dependants' as they fall due for payment.
- to ensure that employer contribution rates are reasonably stable where appropriate.
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
- to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so.
- to use reasonable measures to reduce the risk to other

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employers and ultimately to the council taxpayer from an employer defaulting on its obligations.

The aim is to achieve 100% solvency over a period of 20 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Normally this is three years but, in some cases, a maximum period of 12 years can be granted. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable. When an employer's funding level is less than 10% of the 100% funding target, then a deficit recovery plan will be put in place requiring additional employer contributions.

At the 2022 actuarial valuation, the fund was assessed as 113% funded (100% at the March 2019 valuation). Contribution increases will be phased in over the three-year period ending 31 March 2026 for both scheme employers and admitted bodies.

The whole-fund primary contribution rate was due to decrease over a three-year period from 18.6% to 17.5% of pensionable pay. However, each employer will be different, and the primary contribution rate will reflect the membership and experiences of each employer.

In addition to the primary contribution rate, most employers also pay a secondary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the fund's website.

The valuation of the fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement, or withdrawal from service. The principal assumptions were as follows.

Financial assumptions

Future assumed rates	31-Mar-22	31-Mar-19
	%	%
Discount rate (annual nominal return rate)	4.3	4.2
Pay increase (annual change)	3.7	3.3
Benefit increase (CPI)	2.7	2.3

Demographic assumptions

The assumed life expectancy from 65 is as follows:

Life expectancy from age 65		31-Mar-25	31-Mar-24
Retiring today	Males	21.1	21.2
	Females	24.0	24.0
Retiring in 20 years	Males	22.4	22.5
	Females	25.6	25.6

18. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year but taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 17). The actuary has also valued ill health and death benefits in line with IAS 19.

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31 Mar 25		31 Mar 24
£000		£000
(1,500,000)	Present Value of promised retirement benefits	(1,725,000)
1,933,102	Fair Value of scheme assets	1,871,058
433,102	Net (liability)/asset	146,058

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see Note 17) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Other key assumptions used are:

	31-Mar-25	31-Mar-24
	%	%
Pension increase rate (CPI)	2.8	2.8
Salary increase rate	3.8	3.8
Discount rate	5.8	4.8

19. Current assets

31/03/2025		31/03/2024
£000		£000
116	Contributions due - employees	94
1,283	Contributions due - employers	1,081
912	Sundry debtors	482
2,311		1,657
142	Cash	-
2,453		1,657

20. Current liabilities

31/03/2025		31/03/2024
£000		£000
5,061	Sundry creditors	2,924
2,157	Benefits payable	1,556
7,218		4,480

21. Additional Voluntary Contributions ("AVCs")

	Contributions Paid 2024/25	Market Value 31 March 2025
	£000	£000
Utmost life and pensions	-	99
Prudential assurance	361	1,250
Clerical and medical	1	22

	Contributions Paid 2023/24	Market Value 31 March 2024
	£000	£000
Utmost life and pensions	-	188
Prudential assurance	269	1,182
Clerical and medical	-	17

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22. Related party transactions

Haringey Council

The Haringey Pension Fund is administered by Haringey Council. During the reporting period, the Council incurred costs of £0.966m (2023/24 £0.835m) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses.

The Council is also the single largest employer of members of the pension fund. As at 31 March 2025, an amount of £0.546m was due from the fund to the Council.

Each member of the pension fund's Combined Pensions Committee and Board is required to declare their interests at each meeting. One member of the Combined Pensions Committee and Board were a scheme member in the Haringey Pension Fund.

portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment. There were no contingent liabilities at 31 March 2025.

23. Key management personnel

Key management personnel are the Section 151 Officer and the head of pensions. Their remuneration is set out below:

31/03/2025	Key Management Personnel	31/03/2024
£000		£000
77	Short - term benefits	28
6	Post-employment benefits	6
<u>83</u>		<u>34</u>

24. Contingent liabilities and contractual commitments

Outstanding capital commitments (investments) at 31 March 2025 were £82.2m (2023/24 £105.4m). These commitments relate to outstanding capital call payments due on limited partnership funds held within the private equity and infrastructure portion of the

Annual Governance Statement 2024-25

1. Scope of responsibility

- 1.1 We are responsible for ensuring that our business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised, with regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this, we are also responsible for putting in place proper arrangements for the governance of our affairs, facilitating the effective exercise of our functions, which includes arrangements for the management of risk.
- 1.3 We have approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Haringey's local code of corporate governance is published on the Council's website and a copy can be obtained from the Council's Monitoring Officer. This statement explains our commitments as part of the Local Code of Corporate Governance, together with how we obtain assurance that these commitments are in place and effective; it also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, in relation to the publication of an Annual Governance Statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which we direct and control the activities of the Council. The framework also comprises the activities through which we are accountable to, engages with and leads the community. Through the framework, we monitor the achievement of our strategic objectives and consider whether those objectives have led to the delivery of appropriate and cost-effective services.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, but it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of our approved policies, aims and objectives. The system of controls also allows for the evaluation of the likelihood of risks being realised and the impact should they be realised, ensuring that we are able to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31st March 2025 and up to the date of the approval of the annual report and accounts.

- 2.4 As a local authority, we operate in a complex and constantly evolving financial, policy and legislative environment and consequently, our responsibilities and operations continue to evolve. The funding models for local government continue to present challenges. We continue to deliver our ambitions set out in our corporate plan and build on our achievements in the refreshed plan, which we published in the summer. The Council's Corporate Plan sets out our priority actions for delivering our strategy for Haringey.
- 2.5 The Council's leadership remains committed to being collaborative, competent, and radical. In January 2023, we published our Corporate Delivery Plan for the period 2022/26. This Corporate Delivery Plan covers the activity we will focus on delivering including the second half of the cycle between April 2024 and April 2026. The Plan outlines our strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The Plan also includes the outcomes we are working towards as an organisation; the activity planned to deliver these outcomes; how we will work to deliver it; and the key delivery dates. The plan is organised around the following eight separate themes:
- Resident experience and enabling success
 - Responding to the climate emergency
 - Children and young people
 - Adults, health and welfare
 - Homes for the future
 - Safer Haringey
 - Culturally rich borough
 - Place and economy
- 2.6 These themes demonstrate how we are focussed on working collaboratively, in line with the Haringey Deal, with residents, businesses and partners to tackle the biggest issues affecting our communities.
- 2.7 Haringey Deal was launched in November 2022. The Deal is all about forging a different way of working. It builds on the findings of the Fairness Commission and is grounded what we have heard from residents more recently. This includes pledges to focus on building greater trust between the council and residents; learning when mistakes are made and putting things right quickly; empowering communities to make change happen for themselves; and finding new ways to share power with residents and communities. The Deal also recognises the critical importance of 'getting the basics right.' This means delivering the fundamental core services that any local authority provides to ensure residents are safe and supported, and able to live a good life. The Deal has eight core elements, each of which is being embedded and delivered via a series of programmes and pieces of work. Details of the Deal are set out in the chart below.

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- 2.8 A core element of the Haringey Deal has been the launch and roll out of a new set of corporate values. These were developed following a series of staff workshops hosted by the Chief Executive in the autumn of 2022 and were in place for the financial year 2024/25. Our core values are Caring, Collaborative, Community Focused, Courageous and Creative. These were launched via a series of informal staff 'huddles' across the corporate estate including depots and neighbourhood offices. These behaviours are at the heart of refreshed My Conversation (our appraisal approach) guidance which was launched at the start of the 2023.
- 2.9 Following the launch of The Haringey Deal, we have created a portal called The Haringey Deal implementation guidance for staff, which outlines our ambition to change the way we work and change our practices. It makes a commitment to both designing services and developing different relationships with residents and partners with a key focus in the Haringey Deal on working in partnership with communities to address residents' priorities. The implementation guidance

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intranet hub aims to clarify the ambitions of the Haringey Deal and provide practical examples of exemplary practice, to support us in continuing to develop our approach.

- 2.10 In May 2023, we participated in a Corporate Peer Challenge, organised by the Local Government Association (LGA). The Peer review challenge involved a team of experienced council officers and councillors from other local authorities reviewing our vision, our priorities and plans and the work we are doing as “peers” to provide challenge and share learning. The final report was issued in October 2023 and a copy is available at LGA Corporate Peer Challenge Final Report (haringey.gov.uk). The report noted “Haringey Council is a dynamic and improvement-focused local authority that has strong leadership and should be proud of the services it provides to the community. It provides many good core services to its residents for which it should be rightly proud. The Borough is well-regarded for its high performing schools, and the parks and library services are valued, with the Friends groups keen to collaborate with the Council. It also has a “powerful sense of place, appreciating and celebrating the diversity of the area and the people it serves.” The Peers set out several recommendations, a follow up revisit took place on 25 June 2024 with the LGA spending a day meeting staff, networks, partners, senior managers and testing the progress we have made. Specifically, the LGA looked at what steps we had taken since their first visit, and specifically focusing on:
- Developing a long-term vision and building better partnerships
 - Embedding performance management and delivering change
 - Organisational development and culture change
- 2.11 The peer team were impressed at the level of progress made by Haringey since the Corporate Peer Challenge and noted the detailed and structured approach taken by the Council for making improvements and changes to implement the peer team’s recommendations.
- 2.12 Separately, a joint area inspection by Ofsted and the Care Quality Commission (CQC) was carried out of the Area SEND inspection of Haringey Local Area Partnership over a three-week period in January and February 2024. Both the Council and the North Central London Integrated Care Board (ICB) are jointly responsible for the planning and commissioning of services for children and young people with SEND in Haringey. We received the highest rating for delivering high quality services for young people with Special Educational Needs and Disabilities with the report noting “The local area partnership’s special educational needs and/or disabilities (SEND) arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The local area partnership is taking action where improvements are needed.” The report raised three areas for improvement we continue to make good progress in implementing the recommendations.
- 2.13 In addition, Ofsted carried out a focused visit of Haringey children’s service and published their report on 14 March 2025. Inspectors considered a broad range of evidence, including from children’s individual records and discussions with social workers and reviewed relevant local authority performance and quality assurance information, and spoke to senior leaders, including the head of the virtual school. The report noted that “Most children in care are making good progress, with a strong focus on their education and social needs, and on maintaining their relationships with birth families where appropriate. Their health needs are a priority, and children living outside the borough have additional support. Children are supported to develop trusting relationships with their social workers. Workers invest time with children and use their skills to engage them and understand their wishes and feelings, and what matters most to them. Workers know children well, and they advocate effectively on their behalf.”

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- 2.14 In February 2025, the Care Quality Commission (CQC) published its inspection report assessing how we, as a local authority meet our duties set out in the Care Act (2014). The CQC looked at nine areas spread across four themes and rated the Council as requiring improvement. The CQC's chief inspector of adult social care and integrated care, noted "we found the London Borough of Haringey demonstrated a commitment to transformation and improvements, with clear efforts to support people's independence and wellbeing. Although it's too early to assess the full impact on people's experiences and outcomes we did see some results already. Haringey's reablement services were particularly effective, helping people regain independence and reducing the need for long-term care. We were pleased to see the introduction of a more local approach, making it easier for people to access care and support closer to where they live. The authority worked well as part of a multi-agency team, made up of health professionals, social workers, and specialists, to help people stay healthy and live independently. We saw this play a key role in reducing hospital admissions.
- 2.15 However, there are areas Haringey needs to improve. People were waiting too long to have their care needs assessed and were frustrated with the communication around this. This was reflected in the mixed feedback we received about people's experiences. Once people were being supported, they were generally happy with their assessments, but people with additional communication needs and non-English speakers faced barriers when seeking information or trying to access that support. Haringey is aware of this access issue and it's reassuring to see them taking steps to address it. The authority also needs to address the limited local care provision which reduced people's ability to make choices about their care. This also extended to carers who told us they struggled to get access to the support they needed, making it difficult to get a break from their responsibilities and negatively impacting their wellbeing."
- 2.16 We have a statutory obligation to set a balanced budget and for 2025/26, Cabinet received a paper in February 2025 setting out the proposed General Fund Budget for 2025/26; the Medium-Term Financial Strategy (MTFS) 2025/30, and the capital programme. To set a balanced budget for 2025/26, we sought special permission from Government to allow the Council to use capital receipts and borrowing (referred to as Exceptional Financial Support) of £37m for its day to day running costs and supporting the borough's most vulnerable residents. While the Exceptional Financial Support is required in order for us to set a balanced budget, we appreciate that this is not a sustainable position. We will continue to work, across the council, to reduce costs and to make every penny count – and minimise use of EFS as much as possible by exploring ways to improve efficiency and maximise value for money.
- 2.17 In addition, Cabinet received a budget report in March 2025 for the third quarter (April to December 2024) setting out the actual expenditure for the period with projected outturn for the remainder of the financial year. The report projected a year-end outturn of £37.2m forecast overspend, and as the Council has a legal requirement to deliver a balanced position each year, the report noted the authority may not have sufficient resources to cover the full forecast £37.2m overspend and reach a balanced financial position. Consequently, Cabinet was notified the authority may require use of Exceptional Financial Support from government, and that government had agreed in principle that up to £28m could be drawn down for the financial year 2024/25.
- 2.18 KPMG are our external auditors and as such, they are required to provide an assessment of the council's arrangements to secure value for money (VfM). In its assessment, KPMG focused on three key domains: -
- **Financial sustainability:** How we manage our resources to ensure we can continue to deliver our services
 - **Governance:** How we ensure we make informed decisions and properly manages our risks
 - **Improving economy, efficiency and effectiveness:** How we use information about our costs and performance to improve the way we manage and deliver our services

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- 2.19 From their work, KPMG identified five areas of improvement in respect of arrangements to secure VfM and noted these in their Auditor's Annual Report published in February 2025, for the 2023/24 financial year. KPMG's opinion is that the Council does not have appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources. We have agreed the recommendations and set ambitious targets to implement their recommendations.
- 2.20 At the end of March 2025, the Chief Executive concluded his consultation on the changes to the senior leadership of the organisation. The change was in part, a response to the government signalling new ways of doing things, new priorities and the challenging financial position. Following the change, the Placemaking & Housing directorate was disbanded and its services moved to other parts of the council and the senior leadership roles were renamed in order to keep the Council competitive in the recruitment and retention market.
- 2.21 A new directorate of Adults, Housing & Health was established, with a focus on supporting the borough's vulnerable adults and the existing Finance directorate expanded to become the Finance & Resources directorate, adding Digital & Change, Capital Projects & Property and Housing Delivery functions to its portfolio.
- 2.22 The following section highlights each of the seven governance principles set out in the CIPFA / SOLACE framework "Delivering Good Governance in Local Government" and the arrangements in place demonstrating how we meet the governance principles. Any gaps identified as part of the annual review will form an action plan agreed and monitored by the Statutory Officers with all actions to be completed by March 2026.

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
<u>Behaving with Integrity</u> a) The standards to which Members and Officers are expected to comply are outline here along with links to key policies which are developed in accordance with legislative requirements and good practice. Our standards Haringey Council b) The Council's Member Code of Conduct is captured in the Council's constitution under Part 5 – Codes and Protocols, Part 5 Section A (Nov 2019), which requires members to declare interests; applies to Members and co-opted voting members on election or appointment. Published on the internet: Part 5 Section A Members Code of Conduct.pdf c) The offer of induction is provided for all new Members when they are elected on expected standards of behaviour. A comprehensive programme has been established since the election in May 2022 to on board new and re-elected members into the Council. The training programme is designed to ensure members are equipped to carry out their role on as committee members. Training on all regulatory committees is mandatory. d) The Officer Code of Conduct was reviewed in 2023, and a new version was published to staff following approval by Members. A copy of the Code is provided to all new officers on appointment and annual reminders are made of the need for employees to comply with specific requirements such as ensuring declarations of interest are formally recorded and declaring any offers of gifts or hospitality which are received. e) Haringey Values were updated in 2023 (Caring, Community-Focused, Collaborative, Creative, and Courageous). The Council ran numerous seminars for staff on what the values meant and how services should demonstrate Haringey values.	Complaints process reviewed 24/25. Review of Code planned for 2025/26 once government response to consultation knows on standards regime.

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f) Decision-making practices for member decisions follow legal and transparency requirements. Agendas and Minutes of Cabinet and Committees and Officer decisions are recorded and published on Modern.gov. How Decisions are made and scrutinised g) Register of interests and gifts and hospitality for members/co-opted checked on election/appointment. Minutes show declarations of interest sought, and appropriate declarations made for each meeting. h) Requirement for all new staff to complete Register of Interests declaration. Senior managers are required to complete a declaration every two years; officers are reminded to complete a new form as/when circumstances change. The HALO system is used to efficiently manage HR processes under a single portal. Gifts and hospitality for members are recorded with their declarations of interests and are published on the website. Our standards Haringey Council i) Standard report format requires report authors to state how their proposal meets the corporate objectives and priorities. Report authors must also provide reasoning and evidence for proposals, so that the basis for decisions is clear and include statutory officer's advice, including legal and finance advice. The standard template for reports was refreshed in 2023/24 with updated guidance included for report authors. j) Anti-fraud and corruption strategy is in place, including the Whistle blowing policy (Oct 2024) they will be reviewed again in 2026. The Head of Audit and Risk Management reports on actions, effectiveness and outcomes (and use of the whistle blowing policy) to Audit Committee, in quarterly report and in July as part of the Annual internal Audit Report and provides awareness presentations to Senior Leadership Team. Copies of the policies are on the internet. Anti-fraud and Corruption Policy Oct 2024	Ensure full compliance by officers with the requirements set out.

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
k) Corporate and service specific complaints policies are in place and published on the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council's Senior Leadership Team. More information is being published and made easily accessible to customers. Training sessions have been developed looking at examples of best practice in responses and getting it right first time. Following comments from the Peer Review a forum has been periodically held to help with improvements in this area. Make a complaint Haringey Council l) Local Code of Corporate Governance was refreshed in 2023/24 and was approved at the Full Council in July 2024. Local Code of Corporate Governance <u>Demonstrating strong commitment to ethical values</u> m) The Standards Committee, along with the Council's Monitoring Officer, establishes monitors and maintains the organisation's ethical standards and performance, reporting to full Council, as necessary. The committee deals with allegations of breaches of the Member Code and issue (or require Groups to issue) reminders/advice notes to Members where issues of conduct cause concern. The Standards Committee n) The Council incorporated the Social Value Act requirements into all procurement and contracts; including a standard clause referring to 'PREVENT' in all contracts, as well as safeguarding and health and safety. A broader review of how the authority carries out procurement activity has been completed, and changes will be embedded in 2025/26. A report will go to Cabinet to approve the Council's methodology of complying with Social Value Act requirements.	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
o) A major review of all the Human Resources policies & procedures is continuous. The policies for revision undergo extensive discussion with relevant groups within the council and with trade unions before the final version is presented to Members for their approval, only when approved are policies published, and details communicated to officers. During 2024/25, HR published the Workforce Plan. p) The Council encourages external providers of services to act with integrity and in compliance with high ethical standards expected by the organisation in information sharing: <u>Respecting the rule of law</u> q) The Chief Executive is appointed by Full Council. Any disciplinary action or dismissal of the statutory officers is dealt with in line with legal requirements that take into account the need for them to fulfil their responsibilities in accordance with legislative and regulatory requirements. Member Committees make decisions on appointments and dismissal of Chief Officers and Deputy Chief Officers. A Statutory Officers Group meets monthly and ensures statutory compliance and is both forward and backward looking and support the organisation and Statutory Officers in fulfilling their roles. r) The Council optimises the powers available for the benefit of citizens, communities and other stakeholders. Decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers. The Council Constitution is reviewed updated and published on the internet: Council Constitution	Review and update the Council's financial regulations during 2025/26.

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
s) Breaches of law/financial regulations can be the subject of a report to full Council or Cabinet by the relevant statutory officer. No statutory officer reports have been required in 2024/25. t) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached.	
B. Ensuring openness and comprehensive stakeholder engagement	
<u>Openness/ Implementing good practice in transparency</u> a) The Council Publication Scheme sets out information available to view or download including under the requirements of the Transparency Code 2015. Our publication scheme Haringey Council Member decisions are rarely taken in the private (Part 2) section of meetings. Member delegated decisions are also taken at meetings advertised and open to the public. The constitution allows for deputations and petitions and a call-in procedure for cabinet key decisions is in place. The local and statutory requirements are set out in the Council Constitution: Council Constitution b) The Council carries out consultation on a regular basis with stakeholders. It has a consultation co-ordinator and a consultation charter and toolkit on its internal website. Consultations Haringey Council	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
Under the Haringey Deal, the authority seeks to better understand all its communities including communities that it engages with reduced frequency. c) To ensure we are able to effectively monitor delivery of the outcomes as set out in our Corporate Delivery Plan, reporting takes place formally on a six-monthly basis (for the lifetime of the plan) and quarterly via dedicated performance sessions at our Corporate Leadership Team and via internal meetings and forums with officers and Cabinet Members. d) Formal reporting includes progress updates reported to the council's Overview and Scrutiny Committee for more in-depth consideration. Briefings for Scrutiny Panel Members are arranged ahead of formal meetings and training is provided to encourage understanding of performance issues and risks. Browse meetings - Overview and Scrutiny Committee Haringey Council e) In 2022/23 we established a framework for monitoring progress against commitments and intermediate outcomes as set out in our Corporate Delivery Plan (CDP). The framework brings together activity and monitors progress towards the achievement of intermediate outcomes with metrics and commentary on all commitments in the CDP including Manifesto pledges. The framework is not solely based on Performance Indicators so gives a	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
broader picture of change and progress towards achieving our objectives. Updates include metrics and a rating on Direction of Travel. The Corporate Delivery Plan 2024-2026 f) We use “Monday.com” as a tool for tracking progress where live updates on progress is captured and reported on a quarterly basis with dynamic links and Dashboards so progress can be actively monitored. As part of the early warning and risk analysis Directors also produce a summary of highlights and areas for focus each quarter and these are shared as part of the published papers. More recently we have introduced more robust performance management reviewing our approach to monitoring whereby we have established a single performance framework. g) Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required covers key performance indicators, capital delivery, savings programme delivery and transformation programme delivery as part of the Council’s new Change framework. Members are briefed on performance across all these workstreams so that they get a holistic view of progress, and we ensure consistency of reporting and aligned governance arrangements as part of the Cabinet Accountability Model. Our Leader is the Cabinet Member responsible for the CDP and performance so there is clear leadership and accountability. h) In addition to the arrangements that have been put in place to monitor the delivery of the Corporate Delivery Plan, new arrangements have been introduced by central	

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Government in the form of an Office for Local Government (OfLOG). The stated purpose of OfLOG is “to provide authoritative and accessible data and analysis about the performance of local government and support its improvement.” The data can be viewed at Home - Local Authority Data Explorer - GOV.UK . A report updating on the OfLOG metrics, and any associated risks or early warning flags is discussed at Corporate Leadership Team on a periodic basis to reflect on what the comparator data is telling us. <u>Engaging comprehensively with institutional stakeholders</u> i) Formal and informal partnerships allow for resources to be used more efficiently, and outcomes achieved more effectively; key partnerships include the Haringey Safeguarding Children Partnership, Safeguarding Adults Board (SAB), Multi-Agency Risk Assessment Conference (MARAC) and the Community Safety Partnership (CSP). Agendas and minutes for the CSP are published on the website: http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=444&Year=0 j) Resident engagement also occurs in formal consultation and engagement processes during 2024/25 this has included extensive community engagement via Wood Green Voices: Wood Green Voices Haringey Council, and Tottenham Voices Tottenham Voices Haringey Council and in relation to key strategies including the Parks and Green Spaces Strategy and Community Safety Strategy. k) Last year the council launched the Haringey Engagement Hub which is developing into a ‘one stop shop’ for all engagement and consultation opportunities. Have Your Say Today - Haringey Engagement Hub - Commonplace	
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; and D. Determining the actions necessary to optimise the achievement of the intended outcomes	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u> a) The Corporate Delivery Plan sets out how the Council will work with partners and with communities to improve the borough and make Haringey a more successful place, while delivering a significant savings programme by 2026. The plan has eight themes, each under-pinned by a series of ambitious targets. It considers and balances the economic, social and environmental impact of policies, plans and decisions. The Plan includes a challenging set of performance measures. Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required. b) Programme planning and management require focus on outcomes and benefits identification and tracking as part of project implementation. There is a clear and consistent approach to the reporting of outcomes, benefits, risks and issues. The Plan was published on the website and recently refreshed to reflect the manifesto priorities of the administration: Ambitious new vision for Haringey Haringey Council c) The Council publishes updates on its website to show how the Council and partners are achieving against specified outcomes and activity including metrics where applicable every six months. https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=128&MID=10689#AI77431 Agenda for Overview and Scrutiny Committee on Thursday, 27th March, 2025, 7.00 pm Haringey Council d) The intermediate outcomes specify the intended impact on service users, residents and other stakeholders. Effective performance monitoring of the Council's progress towards achieving the outcomes in the Corporate Delivery Plan is fundamental to understanding impact and as such provides a means to measure progress on what we are delivering against what we said we would do i.e. The change we expect to see over the 18-month period of the strategic plan.	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
e) The Council has an agreed Medium-Term Financial Strategy (MTFS). These set out how the Council will deliver the corporate plan taking into account the full cost of operations and within available resources, balancing service priorities, and ensure its workforce has the right skills to enable it to achieve the agreed outcomes. Regular reports are provided to the Cabinet: 2025.26Budget and 2025.30MTFFS ver1.0.pdf f) Robust planning and control cycles cover strategic and operational plans, priorities and targets. An internal process provides regular monitoring and scrutiny of the Corporate Delivery Plan and resources applied. Performance against objectives and outcomes is published on the website as part of papers for Cabinet and also accessible in viewable. Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required dashboards from our web-based project and programme management tool: Corporate Delivery Plan (monday.com) g) A five-year capital programme was approved by Full Council on 11 February 2025, which sets out the Council's longer-term investment requirements linked to policy objectives, updates are provided to Cabinet annually at the February meeting: 2025.26Budget and 2025.30MTFFS ver1.0.pdf <u>Determining actions and optimising achievement of intended outcomes</u> h) The Council includes requirements to enhance social value in contracts. For example, construction projects over £1m in value must include an apprenticeship scheme, and where possible, employers are encouraged to pay the London Living Wage. i) High value procurements include a significant weighting in the 'social value' section and, where applicable, requirements as to the use of community assets.	The Council's financial position has deteriorated over the last 12months. Increased demand pressures in social care and temporary accommodation means that setting a balanced budget for 2024/25 and 2025/26 is only possible with exceptional financial support (ESF). A response and recovery plan has been developed taking account of insight from external audit, internal audit and a financial resilience exercise. The actions are aimed to reduce the current and any future reliance on EFS, improve the Council's financial sustainability, including rebuilding reserves and reducing debt levels by reducing the Capital Programme.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<u>Developing the entity's capacity</u> a) The Council's Workforce Development Strategy aims to create a better place to work and to ensure the Council has the right people in the right places with the appropriate skills to deliver the Council's priorities. The plan is published on the website: haringey workforce strategy.pdf. During 2023/24 the Council reviewed this strategy, and on 18 June 2024, Cabinet approved the refreshed strategy and accompanying action plan. There is a clear focus on Directorate-led workforce planning, supported by the Council's corporate services, in the new strategy. b) Workforce expectations also form a clear part of contracting and commissioning processes, as our workforce is not limited to employed staff, including complying with minimum and London Living Wage requirements.	
<u>Developing the capability of the entity's leadership and other individuals</u> The Council Constitution specifies the types of decisions that is delegated and those reserved for the collective decision making of the full Council or Cabinet. Council Constitution c) The Council's Constitution sets out the leader and chief executive roles to ensure the respective responsibilities are defined in accordance with decision-making accountabilities.	Following the change in the structure of the senior leadership, ensure all Council policies and strategies (such as scheme of delegation) that facilitate its operations are up to date and reflect the new structure.

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These comply with relevant statutory requirements. It also includes the general scheme of delegation. Each service area also has a service area scheme of authorisation for officers, currently published on the intranet. d) Members who sit on Committees are provided with training specific to their responsibilities for these committees. Training sessions have commenced for member for planning, licensing, audit, finance, pensions and treasury. e) The Council provides a programme of training for all members, and members have access to the Council's corporate training and development programme, which is published on the internal website. f) The Council rolled out 'My Conversation', a performance management process, to all staff, which focuses on personal and organisational development and performance; the General Purposes Committee receives regular reports on people management issues in line with the Workforce Plan objectives. Guidance and templates for all staff are published on the internal website. A review was undertaken to refresh the current performance management process in line with best practice and the Council's new organisational values, which rolled out in 2023. g) The Council's Workforce Development Strategy aims to create a better place to work. The update Strategy was launched in 2024. The Council's corporate Health, Safety and Wellbeing Board monitors all key aspects of statutory and local requirements and has an action plan in place to address any identified gaps in compliance. Health and Wellbeing Fairs have been run to promote employee health. and there is a dedicated suite of pages on the Council's intranet site focussed on all aspects of employee wellbeing. h) The Council ran a comprehensive staff survey in late 2023, with the results being disseminated in 2024 and an action plan will be developed. i) A wide-ranging management and leadership development programme has been rolled out in 2024, to increase the capability and capacity of all people managers within the organisation,	Directors to ensure completion of the My Conversation process by all officers and managers as a matter of course. The External Audit Annual Report January 2025 encouraged the Council to consider the Workforce Strategy due to high reliance on Agency Workers and that the 'time to hire' metric should be monitored. Look to refresh the protocol during 2025/26.

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along with a complete refresh of mandatory training, which is required to be completed by all employees. The Council has protocols in place which govern how the operational and working relationships between officers and members are managed and forms part of the Constitution: Council Constitution j) The Council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness; the Delivery Plan highlights key performance objectives, targets and outcomes, which are monitored and reported via the Council website. The performance reporting also compares current performance with statistical neighbours, London and England averages in most cases: Data and finance Haringey Council	
F. Managing risks and performance through robust internal control and strong public financial management; and G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
<u>Managing risk</u> a) The Council has a Corporate Risk Management Policy and Strategy in place; it was reviewed and approved by the Audit Committee in Oct 2024. A project to strengthen risk management and embed the strategy commenced and will continue into 2025/26. Risk Management is embedded through a variety of processes and procedures, management teams, groups and boards across the organisation and is central to activities, including business planning and project management processes. Zurich Municipal have supported the risk management project as part of their role as the Council's insurers with some specific targeted workshops and Monday.com has been developed to capture directorate and corporate risk registers alongside the other risk and performance information held by the Council. Investment into Corporate Risk Management activity and a technological solution to support achievement of objectives was procured in 2023/24.	Continue to embed risk management principles Implement technology to support the framework and process in 2025/26.

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https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=730&MId=9449&Ver=4 b) The Council's key risks are managed via corporate risk and directorate risk registers. Responsibility for individual risks and issues identified is clearly set out in risk registers. Internal audit reviews of key risks are undertaken as part of the annual audit programme. Performance objectives and outcomes are reported on the website: Data and finance Haringey Council. The corporate risk register was reported to the Audit Committee most recently in March 2025 Corporate cttee - audit. c) Haringey's business continuity planning is based on risk assessment and business impact analysis. Each service area produces a business continuity plan which is updated twice a year. Service continuity plans are incorporated into the Council-wide Business Continuity Plan. The resilience of the Council's digital infrastructure is central to these plans. A Corporate Resilience and Emergency Planning Board meets quarterly to ensure risks and issues are collectively understood and response is collaborative; the Board reflects on incidents to ensure learning from experience. Proactive exercises are undertaken to test arrangements for the Council or as part of a wider exercise in the Borough/London. More information on business continuity and emergency planning is available at: Major emergencies Haringey Council <u>Managing performance</u> d) The Council monitors service delivery effectively including planning, specification, execution and independent post implementation review which is set out in the Delivery Plan and outcome priorities: The Corporate Delivery Plan Haringey Council e) Overview and Scrutiny takes a detailed look at the Council's decisions and policies and works to promote open decision making and democratic accountability in Haringey by holding the Cabinet to account; developing and reviewing policy in an inclusive cross-party	The Business Continuity arrangements will be refreshed and during 2025/26, the plans reported to the Council's Audit Committee for scrutiny.

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
manner that involves local communities and other interested parties, reviewing the performance of the Council and scrutinising local services not provided by the Council, such as health services. Overview and Scrutiny Committee also reviews performance on a quarterly basis and individual Scrutiny Panels consider performance with reference to their reviews. The reports and recommendations are discussed and responded to by the Cabinet and published on the Council's website: Browse meetings - Overview and Scrutiny Committee Haringey Council <u>Strong public financial management and robust internal control</u> f) The Medium-Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council's priorities. The MTFS identified savings required to deliver a balanced budget position each year between 2024 and 2029 before being approved by Full Council in February 2025; the remainder has yet to be identified and will form part of the financial planning process during 2025/26. Each Departmental Management Team (DMT) considers finance and budgets at every meeting, looking at both the budget and savings positions and tracking progress on both. Transformation and delivery of outcomes are aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website. g) The Council's financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Managers submit monthly budget forecasts, and the Cabinet receives quarterly budget management information. h) The Council operates a 'zero tolerance' approach to fraud, bribery and corruption. The anti-fraud, bribery and corruption policy and strategy was reviewed in 2024 and includes appendices specifically relating to money laundering and terrorist financing and a whistleblowing which form part of the overall governance framework to tackle fraud. The policies are published on the Council website and regular articles on how to report fraud and successful outcomes are published. A fraud risk assessment is undertaken annually to help determine the prioritise and the work plan for the year. In 2024/25, the Council investigated Housing fraud and 42 properties were recovered and 49 potentially fraudulent Right to Buy applications were prevented. The Council prosecuted three blue badge fraud	Re-assess the Council's financial management arrangements against CIPFA's Financial Management Code (FM Code), which provides guidance for good and sustainable financial management in local authorities.

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
cases. Referrals made using the whistle blowing policy and all internal cases were reviewed and investigated, in line with our policy and fraud outcomes are reported to the Audit Committee, copies of the reports are on the website. Referrals made using the whistle blowing policy were all reviewed, investigated, and reported to the Corporate Committee, copies of the reports are on the website: Browse meetings - Audit Committee Haringey Council i) The Council's Head of Internal Audit produces an Annual Report including a Head of Internal Audit Opinion which is presented to Statutory Officers and Corporate Leadership Team, and formally presented to Audit Committee in July every year. The Annual Report is a key document used as part of our annual review of governance. j) KPMG were appointed as the Council's external auditors from 2023/24. During 2024/25 the outgoing external auditor completed the outstanding audits, which were presented to Audit Committee in December 2024. KPMG completed their work for the 2023/24 financial year and presented to Audit Committee on 27 January 2025. k) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are reported to the Audit Committee on a quarterly basis. Most high priority recommendations, excluding those covering schools' audits, made by internal audit were found to be implemented when follow up audits were undertaken. The Audit Committee fulfilled its terms of reference in relation to audit functions. Following the recent CIPFA application note on Audit Committee, the Corporate Committee's terms of reference have changed, and an Audit Committee created. This Committee's terms of reference are in line with the CIPFA guidance and conforms with CIPFA's application note. Details of the Committee can be found at Browse meetings - Audit Committee Haringey Council l) The Council's internal control arrangements are subject to annual self-assessment by the Head of Audit and Risk Management; any gaps in compliance with mandatory standards are included in the statutory annual Head of Audit report. In line with the Public Sector Internal Audit Standards, a peer review was commissioned and reported the Internal Audit Service was fully compliant with the standards Final Report for the external assessment of the internal audit function (haringey.gov.uk)	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<u>Managing data</u> m) The Council has policies dealing with various aspects of data management including security and data protection; Freedom of Information Act; information asset registers; and general records management. These and supporting guidance are all published on the intranet. Data quality policy is published on the website: Haringey Council Electronic records management policy <u>Implementing good practices in reporting</u> n) We produce an annual report to accompany its statement of accounts; for 2023/24, we received a (disclaimer) qualified opinion from the external auditor. This means that while the auditors believe the financial statements generally present a true and fair view, there were certain matters where they were unable to obtain sufficient and appropriate audit evidence. Specifically, the auditor's annual report for 2023/24 states that the auditors were unable to determine whether any adjustments were necessary to the opening balances as at the 1st of April 2023 or whether there were any consequential effects on the Council's accounts for the year ended 31st March 2024. The auditors also raised a number of recommendations following their review of the Council's arrangements for delivering value for money. https://www.minutes.haringey.gov.uk/documents/s149588/Haringey%20Draft%20AAR%20AC.pdf o) The Council's Annual Governance Statement (AGS) is produced in accordance with required guidance and included in the statement of accounts; the AGS is reviewed by the Statutory Officers Group and the Audit Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. In 2024/25 there was a formal follow up presented to Audit Committee to communicate the progress with the action plans.	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
Significant issues reported in 2023/24 are being addressed but most will remain on in 2024/25. p) As part of the Delivery Plan, Corporate Directors are responsible for delivering the activity against specific milestones with a responsible manager and Lead Member allocated as owners for each outcome as specified in the Corporate Delivery Plan (CDP). Outcomes, activity, and performance on delivery against the 188 lines of activity and milestones as set out in the CDP. The last performance update report to Cabinet was on 18th March 2025 and papers can be found here: Corporate Delivery Plan Performance Update-Quarter 3 Cabinet 03 24 report.pdf <u>Assurance and effective accountability</u> q) Internal and external audit provide assurance on the Council's system of internal control to support the section 151 officer requirements, including reporting compliance with financial and contract procedure rules across the Council. The outcomes of internal audits were reported to the Corporate Committee and from 2024/25, the Audit Committee on a quarterly basis. All outstanding recommendations were reported to Corporate Committee; a focus is maintained on ensuring all high priority recommendations are implemented. All outstanding recommendation continue to be monitored. r) The Head of Audit and Risk Management and the internal audit service fully complied with the requirements of the mandatory UK Public Sector Internal Audit Standards, as evidenced by peer review and self-assessment. Access to officers, members and information is provided by the Constitution.	

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4. Significant governance issues

4.1 Following our review of governance in 2023/24, we identified some key areas where work would be undertaken in 2024/25 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress as at 31 January was reported to the Audit Committee in March 2025, this is set out below.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. Corporate Director of Finance and Resources (s151) March 2025	The Council's financial position is challenging, and necessary action must take place to protect its long-term financial sustainability and reduce reliance on Exceptional Financial Support. During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations but must be further improved during 2025. This has included: • Establishing a set of budget and financial planning principles. • An open and transparent relationship across the organisation, including with CLT and Members for organisational ownership of the financial position. • Review of financial pressures. This has initially focussed on 2025/26 but also across the 5 years of the MTFS. This is now based on the current financial position across services, particularly social care and housing demand (temporary accommodation), increasing the use of data and evidence to forecast pressures, scenario planning and a more realistic view of risks with the estimates. • Review of all current and proposed savings to test their validity and assurance on delivery. • Review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. • Regular review of all assumptions through the annual budget setting process as new information comes to light, up to the point of publication. • Review of the Capital Programme which will be undertaken annually as part of the budget process and its governance. This includes establishment of a Strategic Capital Board to oversee the development, monitoring and reporting of the whole programme and improve the decision making of all schemes as well as prioritisation with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing. • A refreshed Budget Week in June 2024 and further planned for 2025 with a focus on increasing awareness and accountability of Leadership Network and time within the week for identifying budget proposals and delivery plans.

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	- Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. This review is underway, and the outcome will be reported in the 2024/25 Outturn report and any balances expected to be required for addressing the current forecast overspend of £37m in 2024/25. This review includes the implementation of the budget principle of replenishing reserves over the medium term and an annual contribution has been assumed from 2026/27 onwards. - External support commissioned to support in a full review of all services to identify further opportunities to reduce costs and spending and increase income. An 'emergency response' will be put in place and overseen by the Chief Executive and Director of Finance and which will establish an organisation response to the immediate financial position for 2025/26. This will be based on an improvement and recovery plan. Progress will be monitored weekly and reported to Cabinet and Scrutiny as part of the quarterly finance report and will form a key part of the Annual Governance Statement reported to Audit Committee. All of the actions put in place in 2024 will continue and be further improved and strengthened but more will be required in light of delivering the recovery plan. For 2025, this includes: - A move towards medium term financial planning and work to balance the 2026/27 budget will commence before the end of the current financial year. - A review of the structure and format of budget week which will take place earlier in the year and allow more time to focus on delivery of change. - More structures communications plan with the whole organisation on the position and changes required A redesigned Corporate Project Management Office now supports delivery of the Category AA/A projects, to which many savings or required income streams are linked. During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. There will therefore be focus on this for 2024/25 from a Governance perspective. The financial partnership between the Council and the Health Sector is another area identified in 2023/24 for strengthened collaboration to drive out outcomes.

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained three recommendations that have been accepted by management with regards this governance issue. The recommendations relate to: • Creating a Financial Resilience Plan. • Strengthening the robustness of the budget fortnight. • Changing the culture around savings. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS. The report also contains ten financial control deficiencies and progress to address these will be reported to committee as part of routine financial updates with regards the 2024/25 Annual Statements of Accounts and the External Audit of those documents.
We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate. Corporate Director of Placemaking and Housing March 2025	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on the SAMPIP objectives. There are ten Strategic Asset Management Performance Improvement Plans are monitored through Monday.com as part of day-to-day operational performance. Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings. Progress is then taken through our property governance process on a monthly basis. The transformational nature of this work means the Corporate Property Model, which is fundamental to the implementation of the action plans; is part of the councils change programme, reported monthly and to Corporate Leadership Team on a quarterly basis. Internal Audit resources are allocated to monitor and report independently on progress. An annual update of the progress against the SAMPIP action plans is taken to cabinet.

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year. January 2025 Update Cabinet was updated on the progress with the SAMPIP in July 2024. Link to the report attached <u>(Public Pack)Agenda Document for Cabinet, 16/07/2024 18:30</u> The full business case for the Corporate Property Model was agreed in October and approved through the council's property governance process. This is a key step in bringing hard and soft FM service back together and ensuring all operational, strategic and commercial property sits in one area. Progress reports on the SAMPIP are taken through the councils property governance process on a monthly basis, which is chaired at the top level by the councils 151 statutory officer to ensure corporate compliance and oversight. Given the improvements implemented so far, we have significantly improved the financial performance of the commercial portfolio. The Property Review process within the SAMPIP has been completed for all directorates with feedback given. This will now inform the next steps with regards to the operational portfolio. Follow Up work regarding the Chris Buss property review has been completed in January 2025 and all actions confirmed as implemented. Further follow up work re outstanding audit actions, in this area, will be completed in March 2025. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases. The recommendations relate to:

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	• Reviewing all Leases. • Implementing technology to enable effective monitoring. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.
Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing. Corporate Director of Placemaking & Housing March 2025	This issue was identified in 2022/23 and the due date set was March 2025, the progress made regarding the statutory compliance failings is noted above, and as expected the wider Housing Improvement Programme continues into 2024/25 and beyond. The project is classified as Category ‘A’, so monitoring and reporting goes to Corporate Leadership Team via the Corporate Project Office in addition to the local oversight within Placemaking and Housing. Annual Update to Cabinet June 2024. Audit Committee periodically request updates and assurances from the Operational Director for Housing, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan. Update January 2025 The Council’s Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council’s auditors Mazars’ audit of the service’s reporting against the ‘big six’ compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service’s arrangements for monitoring the ‘big six’ compliance areas are robust and are subject to ongoing review and improvement.

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	The data shows consistently good performance against the ‘big six’ health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the full implementation of the new compliance data system across all compliance areas. The service has agreed a target of 700 homes to be made decent by 31 March 2025 with the Regulator. If this target is achieved, it will increase the percentage of homes meeting the standard to 80.0%. 103 homes have been made decent as at the end of Q2. There are a further 620 homes in the pipeline to be made decent through internal works, fire door and other programmes for this year which will enable us to meet the target. We continue to closely monitor and scrutinise performance through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board.
Due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements. Monitoring Officer March 2025	We have an internal self-assessment that is maintained and has evolved since the independent work by Mazars in 2021/22. We have an improvement action plan that is tracked, and progress reported to the Information Governance Board. As part of last year’s improvements, we strengthened the arrangements over the Information Governance Board and this new regime will fully embed in 2024. The Information Commissioner have inspected in May 2024, and this will generate new actions to be incorporated into existing actions plans. This Corporate Risk area is owned at Corporate Leadership Team and progress to complete the approved improvement plans is monitored there.

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	Update January 2025: The assurance ratings from the June 2024 ICO Audit Report were: • Governance & Accountability: Reasonable Assurance • Training & Awareness: Reasonable Assurance • Breach Management & Reporting: Limited Assurance The summary report is published on the ICO website. The ICO approved our Action Plan to address their recommendations, and they will follow up on completion and implementation in 2025 (date to be agreed). 20% of actions have been completed and 19% are in progress. Progress is reported to the Information Governance Board and the Corporate Leadership Team quarterly.
The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money. Corporate Director of Culture Strategy & Engagement March 2025	New Workforce Development Strategy 2024 has been to cabinet for discussion Informal cabinet in early June and Cabinet approval, likely on 18 June. Launch will be raised in budget week and will be launched by the Human Resources Business Partners shortly after. New approach to Manager training being designed - in progress pilot to launch July 24. Review of the use of Agency Workers use is ongoing and there is an accelerated recruitment protocol in place. Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required. Update January 2025

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	New workforce strategy and action plan approved by Cabinet and launched. Work begun on first Directorate and service-specific workforce development plans, targeting areas with particular recruitment and skills challenges. Pilot programme launched and in progress. Initial feedback very positive. Focus on agency spend continues and spend is reducing. Reports showing progress are made to the General Purposes Committee. This contract will be retendered in 24/25. Action ongoing. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan.
The Council has recognised weaknesses with regards procurement and contract management arrangements in recent years, some incidences of Fraud have occurred in 2023/24 and there has been new regulatory requirements applied from 2025. Corporate Director of Finance and Resources March 2025	The Council has reviewed its procurement operating model and is embedding a new staffing structure, policies, and procedures along with a new technology platform in 2024. This is a significant change programme that continues into the new financial year 2024/25 with wide reaching impact on the governance framework centrally and across directorates. The project is classified as Category 'A', so monitoring and reporting goes to Corporate Leadership Team via the Corporate Project Office. Audit Committee periodically request updates and assurances from the Chief Procurement Officer, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan. Update January 2025:

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	The Council continues to progress implementing the new procurement operating model. The revised staffing structure to support the operating model will be in place in November. The revised CSO's are approaching final draft and are anticipated to be in place in March 2025. The Procurement Act has been delayed until 24 February 2024 and therefore some new procedures will need to be deferred and aligned with the implementation of the Procurement Act. The centralisation of procurements above £25k will be implemented March/April 2025 and is anticipated to mitigate potential non-compliance and fraud. Work has begun on implementing new category strategies to deliver better value for money. Revised procedures, training and communication is ongoing. Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained two recommendations that have been accepted by management with regards this governance issue. The recommendations relate to:

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	• A 'stock take' of all contracts. • Implementing technology to enable more effective monitoring. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.

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- 4.2 We have identified the following significant governance issues during 2024/25 and reiterated those identified in prior years that remain open for monitoring. It is proposed over the coming year to take steps to address the governance issues in these areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. (This may need to be strengthen depending upon the financial outturn / future financial projections).	The Council's financial position continues to be extremely challenging. The outturn position for 2024/25 was a £38m overspend on services, predominantly social care and temporary accommodation. Although this has been partly offset by one off use of reserves and historic balances, £20.4m of savings were expected to be delivered in year, only 63% was delivered. Of the non-delivered savings, £440k has been written out in future years as non-deliverable, the remaining is expected to be delivered in full in 2025/26. In total, £30m of savings are expected to be delivered in 2025/26 and although contingency has increased to protect against the non delivery of some, it will not be sufficient if non delivery percentage remains at a similar level. A strengthened process has been established for the monitoring and reporting of savings which will track bot the financial savings and progress with the changes to deliver the savings. Monitoring is in place monthly to enable corrective action to be taken early in the year for any non delivery and is reported to Silver and Gold through the Council's emergency response arrangements. During budget series in April, the focus was on the delivery of existing savings, with all of Leadership Network working together on the development and implementation of delivery plans, with a particular focus on cross cutting savings. During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations and planning is well underway for 2026/27 budget planning. This includes: Review of financial pressures. This has initially focussed on 2026/27 but also across the 5 years of the MTFS using the	Corporate Director of Finance and Resources	31/3/2026

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Issue	Action	Responsibility	Due date
	2024/25 outturn and period 2 forecast for 2025/26 as the basis and strengthening the use of scenario planning to consider risks and uncertainties to give a more realistic view of risks with the estimates. • A review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. • Regular review of all assumptions will continue through until December 2025 as new information comes to light, up to the point of publication. • Review of the Capital Programme with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing. • New capital programme governance arrangements are now in place which includes a new gateway process for ensuring that no capital scheme progresses without a clear business case that has been approved. • A refreshed Budget Series took place in April, May and June 2025, with a focus on ensuring existing savings are on track for delivery and identifying new savings and income opportunities to balance the budget for 2026/27. These are being considered in a structured way through four lenses (efficiency, commercialism, prevention and prioritisation) to ensure that every £ spent is delivering on the outcomes in the CDP and prioritisation is in line with smaller funding envelope and keeping any ongoing reliance on EFS to a minimum. • Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. The first phase identified £2.9m to contribute to reducing the overspend position in 2024/25 and a furthermore forensic review will be undertaken in quarter 1 of 2025/26. The MTFS assumes replenishing reserves		

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Issue	Action	Responsibility	Due date
	over the medium term and an annual contribution of £3m has been assumed from 2026/27 onwards. An 'emergency response' has been put in place across the organisation in line with GOLD and Silver arrangements and overseeing the delivery of the Financial Recovery Plan developed by the Section 151 Officer. Progress is reported to internally and quarterly through the finance report to Cabinet and OSC. All non-essential spend must now be approved by the Spend Control Panel and the Recruitment Panel must approve all new recruitment. It is likely that tighter controls will be put in place from quarter 2 of 2025/26. The controls are also expected to improve purchasing compliance in line with the Council's policies and processes. A redesigned Corporate Project Management Office supports delivery of the Category A projects and a recent review of the criteria has led to a new set of projects being supported and which are linked to the delivery of savings. During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Full details are published in the 2024/25 outturn report and the number of schools with a deficit has increased to 33. The Council continues to work with schools in deficit on the recovery plans, including staffing restructures. The financial partnership between the Council and the Health Sector is an area of focus in light of the changes to ICBs being implemented by Government. The exact impact is not yet known but does pose a financial risk in terms of joint funding arrangements through the BCF. THE 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.		
We need to continue to embed the planned improvements across	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on	Corporate Director of Finance and	31/3/2026

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Issue	Action	Responsibility	Due date
strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate.	the SAMPIP objectives. Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings. Progress is then taken through our property governance process on a monthly basis. The Corporate Landlord Model was implemented from 1 April 2025, including the transfer of budgets and staffing resources. However, it is likely to require the remainder of the year for this to be fully implemented. This is a key step in bringing hard and soft facilities management service back together and ensuring all operational, strategic and commercial property sits in one area. Cabinet in June agreed the Council's Disposals Policy and an internal Disposals Board, chaired by the Corporate Director of Finance and Resources is in place to oversee the implementation of the policy. Internal Audit resources are allocated to monitor and report independently on progress. An annual update of the progress against the SAMPIP action plans is taken to cabinet. The last update was in May 2025. As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year. Good progress has been made on reviewing the Council's commercial property portfolio gaining a more holistic view of the properties and lease arrangements which has	Resources	

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Issue	Action	Responsibility	Due date
	significantly improved performance, including increased income levels. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases. The recommendations relate to: • Reviewing all Leases. • Implementing technology to enable effective monitoring. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS. The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.		
Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social	The issue was identified in 2022/23, with the Housing Improvement Programme (HIP) continuing from this time. The Housing Improvement Programme was classified as a Category 'AA' project, so monitoring and reporting went to Corporate Leadership Team via the Corporate Project Office in addition to local oversight within Housing Services. Of the 213 actions included within this programme, 81% are complete with progress ongoing. A mock inspection of the housing service was carried out by HQN in September/October 2024 against the new Consumer Standards set by the Regulator of Social Housing, which included the Safety and Quality Standard. An action plan was developed in response to identified areas of improvement which is reported to the Member Housing Improvement Board six weekly, with the action plan having been overseen by this	Corporate Director of Adults, Housing and Health	31/3/2026

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Issue	Action	Responsibility	Due date
Housing Regulator including safe housing.	Board since March 2025. We continue to closely monitor and scrutinise performance and progress through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board. The Building Safety Strategy for 2024-28 was approved by Cabinet in July 2024. This strategy details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. The Building Safety Strategy was part of the Housing Improvement Plan, tackling repairs, fireproofing, insulation, security and other renovations and went beyond what is required by the government. The Building Safety Strategy was created with residents and residents' involvement in future decisions remains a core objective. The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement. As of June 2025 all of the 'big six' modules are now set up on the new compliance system, with full inspection programme information uploaded. All FRA actions have been integrated into the system, removing the use of spreadsheet to manage actions, and we will also look to implement additional modules for other compliance areas. The data shows consistently good performance against the 'big six'		

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Issue	Action	Responsibility	Due date
	health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the embedding of the new compliance data system across all compliance areas. The service has exceeded the target of 700 homes to be made decent by 31 March 2025 with the Regulator, where 791 homes have been made decent for 2024/25. This has meant the percentage of homes meeting the decent homes standard has increased to 80.7% from 78.4% in 2023/24. To achieve this target, mitigating actions included planned internal, Fire Door Replacement and Electrical Works, and a programme of validation surveys. We completed our 3 year stock condition survey in May 2024 with 75% of the stock surveyed. The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the Contract Award report being approved by Cabinet on 17 June 2025. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023. Our performance across Housing Services and specific service areas and improvements are also overseen by the Housing, Planning and Development Scrutiny Panel. Audit Committee periodically request updates and assurances from the Director of Housing Services, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2025/26 to provide independent assurance to Senior Leaders and Members as part of the 2025/26 Audit Plan.		
Due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements.	Following the ICO Audit in June 2024, the Information Governance team have been working on delivery of the detailed Action Plan to address the ICO's recommendations. Most actions have been completed, a small number are still in progress. The ICO will be doing a desktop review of progress in July 2025, but will	Corporate Director Culture Strategy Communications	31/3/2026

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Issue	Action	Responsibility	Due date
	not do a full re-audit. Development work will continue after the Action Plan is completed, as we also use the ICO's accountability tracker which goes beyond the focus of the 2024 audit. Specifically in relation to information rights requests (which were not covered in the Audit), a new system was introduced in April 2025. When this has been fully implemented, it should give us greater visibility of cases, more granular reporting and improved case management. Alongside the new system, we are reviewing the way that cases are assigned and the support and guidance we provide to colleagues.		
The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.	We have a workforce strategy which principally was created to deal with this risk. The main action in the current municipal year is for Directors and Corporate Directors to complete workforce action plans for their areas which outline their workforce needs across the spectrum in terms of, for example, recruitment, retention and learning and development. These needs need to be framed in the context of future service delivery and the finances available. A corporate template has been developed and tested, and resources made available to support all Directors and Corporate Directors with this important task. On a more day to day level, we have core HR policies available to support managers and leaders in managing their existing workforce and recruiting new employees, including flexibility on recruitment of current agency workers into directly employed posts and arrangements to pay market supplements where it can be objectively justified.	Corporate Director Culture Strategy Communications	31/3/2026
The Council has recognised weaknesses with regards procurement and contract management arrangements.	The Council has reviewed its procurement operating model and the new staffing structure is in place to facilitate all contract re-tenders above £25k to be managed by the Strategic Procurement Team. This new operating model and new processes will continue to be embedded during 2025 and is anticipated to mitigate potential non-compliance and fraud.	Corporate Director of Finance and Resources	31/3/2026

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Issue	Action	Responsibility	Due date
	The revised CSO's are now in place and were agreed by full Council. Savings of £9m are expected on contracts over the next three years and a new Procurement and Commissioning Programme is now in place which has four workstreams: • Review of large value contracts • Review of all contracts due for re-tender • Review of off contract spend • Establishing category management for contracts The programme will cover the full commissioning, procurement and contract management cycle, recognising that improvements are required in all areas. Delivery is being managed through a separate governance board, with progress being reported through to Procurement Board. Procurement Board are also responsible for overseeing all new re-tenders and improving procurement and contract compliance. The Council is compliant with the requirements of the new Procurement Act but some processes are currently manual and an e-procurement system is not yet in place – options are being considered. Regular updates are provided to Audit Committee relating to risk and control due to historic limited assurance audit reports and this will continue during 2025/26. Work has begun on implementing new category strategies to deliver better value for money. Revised procedures, training and communication is ongoing.		

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Issue	Action	Responsibility	Due date
	Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place. The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.		

5. Review of effectiveness

- 5.1 We take responsibility for conducting an annual review of the effectiveness of our governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each corporate director and director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and by comments made by the Council's external auditors and other review agencies and inspectorates.
- 5.2 The Corporate Director of Finance and Resources holds the Council's statutory section 151 Officer role; the Head of Legal and Governance (the Council's Monitoring Officer) and the Head of Audit and Risk Management have also reviewed the work done by the Council relating to governance issues in 2024/25. Their comments on the key governance issues are as follows:

- Corporate Director of Finance and Resources:

Demand pressures across social care, temporary accommodation, home to school transport and housing benefit, as well as the non-delivery of the agreed savings programme continues to be one of the Council's main critical issues and driving the very challenging financial position. Funding from Government is not sufficient to manage the increasing demand and the recent Spending Review, although will provide for a multi year settlement and some certainty over the next three years will be insufficient.

In the past any gap in delivery of savings or other unplanned overspend has been met with an unplanned drawdown from Council reserves and in 2024/25,

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£14.4m has been utilised. However, as reported in the last couple of budget reports to Full Council emphasised are already extremely low and any use of reserves to balance the budget or use to address overspends in future years is no longer an option. The 2024/25 Budget included £36.4m of new growth for Adults, Children's, and Housing demand. However, this was not sufficient, leading to a £38m overspend on service budgets. The final use of reserves and review of historic balances has provided £37m of one off contributions to mitigate this overspend but the Council has been reliant on EFS from Government of £10m for 2024/25 and expecting to require up to £37m for 2025/26. This is not a sustainable solution because of the borrowing costs associated with EFS which only adds to the scale of the budget shortfall each year.

A forensic review of the remaining £19.7m in the services reserve and unspent grants reserve is underway to determine if any further sums can be released, but it is expected this will identify that most are largely committed.

The 2025/26 budget assumes £30.4m of savings but a reliance on Exceptional Financial Support of up to £37m to set a legally balanced budget, after accounting for known budget pressures.

An emergency response to the financial position is in place with Gold and Silver emergency arrangements in place to oversee the delivery of the Financial Response and Recovery Plan prepared by the Section 151 Officer. This includes a spending control panel to agree all non-essential spend over £1,000, recruitment panel to agree all new recruitment. Given the severity of the financial position and to minimise use of EFS going forward, tighter controls are expected to be put in place from quarter 2 of 2025/26.

The updates MTFS is presented to Cabinet on 15 July and shows that forecast gap across the MTFS period from 2026/27 is at least £121m, of which £34m is for 2026/27. The report includes details of the approach being taken to identify savings and income opportunities to reduce the gap, with a particular focus on 2026/27 and planning is well underway through Budget Series sessions with the Leadership Team during April, May and June 2025. The General Fund Reserve has been retained and protected at £15.4m. The MTFS also includes an annual contribution to replenish reserves from 2026/27 onwards to support the Council's financial sustainability.

The annual review of the capital programme is underway to review all pipeline schemes that have not yet started with a view to reducing the size of the programme and limit any new borrowing from 2026/27.

- Director of Legal & Governance (Monitoring Officer): The Monitoring Officer is not aware of any significant governance issues in relation to member code of conduct and complaints for 2024/25. The work in strengthening the governance concerning acquisitions and disposals, Information Governance and Delivery of the Housing Improvement Plan will be reviewed again during 2025/26. New governance controls in relation to the Council's financial position were introduced in 2024/2025 and will continue into 2025/2026.

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- Head of Audit and Risk Management: Internal audit continues to focus on areas of risk in the organisation and on areas where governance improvements are necessary, based on the work of internal and external audit. During 2024/25, the Council is taking steps to improve governance over areas identified as significant governance issues, though for most, full implementation will continue into the next financial year and probably beyond. For the audit work completed, weaknesses in internal controls were identified from the work of internal audit.

Specifically, audits assigned a low level of assurance were: Financial Assessment of Clients, Leisure Services Insourcing (pre-implementation), Governance over Delivery of Savings, Support for Children provider payments process, Accounts Receivable (Sundry Debtors), New Operating Model – Procurement Act 2023, Corporate Performance and Intelligence and Change Projects and Programme Portfolio (Change Portfolio), Management Over Gifts & Hospitality, Management of Staff Performance, Review and Management of Off Contract Spend, and Implementation of Panacea (Procurement source to pay system). The work of internal audit also reported on work that began in 2023/24 but was completed in 2024/25.

- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2024/25. The report concluded that in most areas across the Council, with the exception of those areas receiving 'limited' or 'Nil' assurance are where audit actions had not been completed as planned, there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory. The Annual Report highlighted the root cause of a number of risks identified from audits and the subsequent recommendations; these include management control to direct services, record keeping and data quality, the maintenance of full audit trails, and supervision controls.
- 5.4 Directorate Management Teams have discussed a statement of assurance covering 2024/25 which is informed by work carried out by Corporate Directors; Directors; Heads of Service and Managers; internal audit; any external assessments; and risk management processes. The statements are used to provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. No significant governance issues, apart from those identified at paragraph 4.2 were recorded.
- 5.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) statements on the role of the Chief Financial Officer and **the role of the Head of Internal Audit in public service organisations have both** been incorporated into the Council's overall governance arrangements. During 2024/25, the Council can confirm that both the Chief Financial Officer and **Head of Internal Audit** fulfilled all the requirements set out within the CIPFA statements. No gaps in compliance were identified for either role.
- 5.6 The Leader of the Council and the Chief Executive have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.
- 5.7 The evidence provided concerning the production of the Annual Governance Statement has been considered by the Chief Executive and will be considered by the Council's Audit Committee in July 2025. The Statutory Officers concluded that the Council has satisfactory governance systems in place and

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satisfactory plans to address the identified issues to ensure improvement; these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The Chief Executive along with the other members of the Corporate Leadership Team are committed to implementing the action plan, strengthening, and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

Signed by:



Councillor Peray Ahmet

Leader of the Council

Date: 25 June 2025



Andy Donald

Chief Executive

Date: 24 June 2025

GLOSSARY

Accounting Policies are those principles, bases, conventions, rules and practices that specify how the effects of transactions and other events are to be reflected in financial statements. Accounting policies define the process whereby transactions and other events are reflected in the financial statements.

Accruals are amounts included in the accounts for income and expenditure in relation to the financial year but not received or paid at 31 March.

Amortisation is the loss in value of an intangible asset due to age, wear and tear, deterioration or obsolescence through technological or other changes.

Assets are all items of significant economic value owned by the Council, including those which can be converted to cash and those held for cultural and other reasons (heritage assets).

Capital expenditure is expenditure on the purchase, construction and enhancement of Council assets such as houses, offices, schools and roads.

Capital financing describes the method of financing capital expenditure, the principal methods now being loan and revenue financing and government grants.

Capital Receipts is income received from the sale of land, buildings or equipment.

Creditors are amounts owed by the Council for goods and services supplied, but for which payment has not been made at the end of the financial year

Community Assets are a class of fixed assets that are expected to be held by the council in perpetuity to deliver services (e.g parks).

Council Tax is a local property tax on domestic dwellings within the borough.

Council Tax Base converts the domestic properties in the borough by council tax band into an equivalent number of band D dwellings for the purpose of setting the council tax.

Debtors are amounts owed to the Council but not received at the end of the financial year.

Defined benefit pension scheme is a type of pension scheme which promises a certain level of retirement income to its members. The amount of retirement income is usually a fraction of the worker's yearly earnings for each year they have been a member of the scheme. For example, it might be 1/49th of final pay for each year.

Defined contribution pension scheme is a type of pension scheme where the retirement income a member gets depends on how much has been contributed, investment returns and the amount of charges over time.

Depreciation is the loss in value of a tangible asset due to age, wear and tear, deterioration or obsolescence through technological or other changes. Depreciation is a 'non-cash' charge as it merely reflects accounting assessments of the loss in value.

Events after the balance sheet date are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue.

Expected Credit Loss is a measure of impairment of a financial asset (e.g the amounts owed to the Council) based on the estimated difference between the contractual and expected cashflow. The impact of current and future economic conditions is taken into account when estimating the loss.

Finance and Operating Leases are financing arrangements with a third party. A finance lease substantially transfers all of the risks and

GLOSSARY

rewards of ownership of a fixed asset to the lessee. Such assets have been valued and included under non-current assets in the Balance Sheet. With an operating lease, the ownership of the asset remains with the leasing company and the annual rent is charged to the relevant service account.

General Fund is the Council's main revenue account that covers the net cost of all services other than the provision of Council housing for rent.

Impairment describes a reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

International Financial Reporting Standards (IFRS) are the accounting standards adopted by the International Accounting Standards Board (IASB). Councils are required to produce their accounts using IFRS.

Materiality of an item is determined by whether its omission, non-disclosure or misstatement in the financial statements could be expected to lead to a distortion of the view given by the financial statements.

Medium Term Financial Strategy (MTFS) is the Council's document which sets out the estimated financial impact of changes to our resources and costs of service provision, taking into account agreed principles and priorities. Typically spanning 3 to 5 years it allows the Council to adopt a strategic approach to planning its finances in the context of significant change.

Minimum Revenue Provision (MRP) is the minimum amount that the Council must charge to the revenue account in the year in respect of the repayment of principal of borrowing for capital purposes. In the accounts the MRP is included within capital financing charges.

Non-Domestic Rate (NDR) is a levy on businesses, based on a national rate in the pound set by the Government, multiplied by the 'rateable value' of the premises they occupy. It is also known as 'business rates'. The new Business Rate Retention Scheme allows Council's to retain a proportion of the income received.

OFSTED is the Office for Standards in Education, Children's Services and Skills.

Outturn is the actual income and expenditure in a financial year.

Precept is an amount which the Council is required to collect from the Council Tax on behalf of other (non-billing) authorities, such as the Greater London Authority in London, to finance their net expenditure.

Provision is an amount, which is set aside for a liability or loss in respect of a past event, which is likely to be incurred, but where the exact amount and date on which it will arise is uncertain.

Reserves (Unusable) are reserves that cannot be released to spend on services. For example, the Revaluation Reserve records the effect of revaluing fixed assets and is not available for general use in the financing of capital expenditure.

Reserves (Usable) are those reserves that can be released to spend on services or added to for future spending on services.

Report for: Audit Committee 22 July 2025

Item number: 9

Title: Draft Annual Governance Statement 2024/25

Report authorised by: Taryn Eves – Director of Finance and Resources

Lead Officer: Minesh Jani – Head of Audit & Risk Management
Minesh.Jani@Haringey.gov.uk
0208 489 5973

Ward(s) affected: N/a

**Report for Key/
Non-Key Decision:** N/a

1. Describe the issue under consideration

To inform the Audit Committee of the statutory requirements to produce an Annual Governance Statement for 2024/25 (AGS) and to provide a draft statement relating to the 2024/25 financial year for review and approval.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee review and approve the draft 2024/25 AGS, attached at Appendix A.

That the Audit Committee notes the approval timescale and processes for the draft 2024/25 AGS.

4. Reasons for decision

The Terms of Reference of the Audit Committee provides that it is responsible for reviewing the Council's draft AGS prior to its approval. In order to facilitate this, and provide information on its sources of assurance from across the Council, reports have been provided on a regular basis for the Audit Committee, culminating in the production of the draft AGS.

The Audit Committee's terms of reference include a review the Council's corporate governance arrangement against the good governance framework, including the ethical framework, and consider the local code of governance.

5. Alternative options considered

Not Applicable.

6. Background information

The Council is required to produce an Annual Governance Statement (AGS) for publication with the Council's annual accounts. The AGS comments on the Council's governance framework as a whole. Corporate governance brings together underlying set of legislative requirements, governance principles and management processes.

The preparation of an AGS is a statutory requirement under the Accounts and Audit Regulations (England) 2015. These regulations require local authorities to produce an annual statement, in accordance with 'proper practice' as defined in the CIPFA publication 'Delivering Good Governance in Local Government: Framework 2016'. This guidance outlines seven core principles of governance (set out on pages 7 – 24 of Appendix A) focusing on the systems and processes for the direction and control of the Council and its activities, including its engagement with the community. The guidance applies to governance statements produced from 2016/17 onwards.

Specifically, Regulation 3 of the Accounts and Audit Regulations (England) 2015 requires the Council to ensure that it has a sound system of internal control which:-

- facilitates the effectiveness of its functions and the achievement of its aims and objectives;
- ensures that the financial management and operational management of the Authority is effective; and
- includes effective arrangements for the management of risk.

Under Regulation 6, each financial year, the Authority must:

- conduct a review of the effectiveness of the system of internal control
- prepare an Annual Governance Statement.

Prior to its final approval, the Council needs to demonstrate that the AGS has been reviewed and agreed by relevant senior managers across the authority and an appropriate member body.

The revised guidance is recommended to be used as 'best practice' for developing and maintaining a locally adopted code of governance. The Council's existing and published Local Code of Corporate Governance has been revised to incorporate the updated guidance and submitted to the Audit Committee for information and is attached as Appendix B to this report.

The annual review and development of the Annual Governance Statement was co-ordinated by Internal Audit with input from Corporate Leadership Team. Each Corporate Director completed a Directorate Assurance Statement to support the preparation of the AGS.

The Corporate Leadership Team have identified six areas where the Council's governance arrangements need to be strengthened, as detailed on pages 35 to 45

at section 4.2 of the Draft Annual Governance Statement 2024/25. The governance issues are: -

- We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. (This may need to be strengthened depending upon the financial outturn / future financial projections);
- We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate;
- Following our self-referral to the regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing;
- Due to the high levels of FOIs and SARs, which are not completed in time and feedback from the Ombudsman we need to continue to strengthen our information governance arrangements;
- The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money; and
- The Council has recognised weaknesses with regards procurement and contract management arrangements.

For each of the governance issue, the appropriate Corporate Director has set out the actions planned over 2025/26.

Section 4.1 of the AGS also outlines the progress made on issues identified in the 2023/24 statement. The update was previously reported to the audit committee in March 2025.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes’?

Corporate governance is an important element of the external assessment processes. The annual accounts, including the AGS, are subject to audit by the council’s external auditors. While the whole of the financial statements may not be qualified, an incorrect or inaccurate AGS may be raised as a recommendation by the external auditors.

Ensuring the adequacy and effectiveness of the Council's governance arrangements will assist in improving services to residents and other stakeholders.

8. Carbon and Climate Change

There are no direct Carbon implications arising from this report.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

There are no direct financial implications arising from this report. The work within service areas which supports and provides evidence for the AGS, is contained and managed within their revenue budgets. Service departments manage risks and governance arrangements as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

Internal audit undertakes reviews of matters arising at the Statutory Functions Board and in consultation with the Corporate Leadership Team identified the significant governance issues. Additionally, the Head of Audit and Risk Management provides an annual report to support the assurance processes for the AGS. This work is part of the annual internal audit plan and costs are included within Audit and Risk Management's budget.

The Chief Finance Officer confirms that the presentation of the attached draft AGS for approval by this Committee meets the Council's statutory requirement under the Accounts and Audit Regulations (2015).

Procurement

There are no direct contract and/or procurement implications arising from this report.

Assistant Director of Legal & Governance – Haydee Nunes DeSouza Head of Legal Services

Legal – Haydee Nunes de Souza Head of Legal Services

The Council's Head of Legal Services has been consulted in the preparation of this report.

Regulation 6 of the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2024 requires the council to conduct an annual review of the effectiveness of its systems of internal control and following review, the council must approve the Annual Governance Statement, produced in accordance with current best practice guidelines.

The Audit Committee's terms of reference includes a review of the Annual Governance Statement to consider whether it properly reflects the risks environment and supporting assurances and to consider whether the annual evaluation concludes that the governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies as a result of this report. However, ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

This report deals with governance arrangements and their implementation across all areas of the Council, which have an impact on various parts of the community. Improvements in managing governance will therefore improve services the Council provides to all sections of the community.

10. Use of Appendices

Appendix A - Draft Annual Governance Statement 2024/25
Appendix B – Council's Local Code of Corporate Governance

11. Background papers

None

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Annual Governance Statement 2024/25

1. Scope of responsibility

- 1.1 We are responsible for ensuring that our business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised, with regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this, we are also responsible for putting in place proper arrangements for the governance of our affairs, facilitating the effective exercise of our functions, which includes arrangements for the management of risk.
- 1.3 We have approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Haringey's local code of corporate governance is published on the Council's website and a copy can be obtained from the Council's Monitoring Officer. This statement explains our commitments as part of the Local Code of Corporate Governance, together with how we obtain assurance that these commitments are in place and effective; it also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, in relation to the publication of an Annual Governance Statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which we direct and control the activities of the Council. The framework also comprises the activities through which we are accountable to, engages with and leads the community. Through the framework, we monitor the achievement of our strategic objectives and consider whether those objectives have led to the delivery of appropriate and cost-effective services.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, but it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of our approved policies, aims and objectives. The system of controls also allows for the evaluation of the likelihood of risks being realised and the impact should they be realised, ensuring that we are able to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31st March 2025 and up to the date of the approval of the annual report and accounts.

- 2.4 As a local authority, we operate in a complex and constantly evolving financial, policy and legislative environment and consequently, our responsibilities and operations continue to evolve. The funding models for local government continue to present challenges. We continue to deliver our ambitions set out in our corporate plan and build on our achievements in the refreshed plan, which we published in the summer. The Council's Corporate Plan sets out our priority actions for delivering our strategy for Haringey.
- 2.5 The Council's leadership remains committed to being collaborative, competent, and radical. In January 2023, we published our Corporate Delivery Plan for the period 2022/26. This Corporate Delivery Plan covers the activity we will focus on delivering including the second half of the cycle between April 2024 and April 2026. The Plan outlines our strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The Plan also includes the outcomes we are working towards as an organisation; the activity planned to deliver these outcomes; how we will work to deliver it; and the key delivery dates. The plan is organised around the following eight separate themes:
- Resident experience and enabling success
 - Responding to the climate emergency
 - Children and young people
 - Adults, health and welfare
 - Homes for the future
 - Safer Haringey
 - Culturally rich borough
 - Place and economy
- 2.6 These themes demonstrate how we are focussed on working collaboratively, in line with the Haringey Deal, with residents, businesses and partners to tackle the biggest issues affecting our communities.
- 2.7 Haringey Deal was launched in November 2022. The Deal is all about forging a different way of working. It builds on the findings of the Fairness Commission and is grounded what we have heard from residents more recently. This includes pledges to focus on building greater trust between the council and residents; learning when mistakes are made and putting things right quickly; empowering communities to make change happen for themselves; and finding new ways to share power with residents and communities. The Deal also recognises the critical importance of 'getting the basics right.' This means delivering the fundamental core services that any local authority provides to ensure residents are safe and supported, and able to live a good life. The Deal has eight core elements, each of which is being embedded and delivered via a series of programmes and pieces of work. Details of the Deal are set out in the chart below.



- 2.8 A core element of the Haringey Deal has been the launch and roll out of a new set of corporate values. These were developed following a series of staff workshops hosted by the Chief Executive in the autumn of 2022 and were in place for the financial year 2024/25. Our core values are Caring, Collaborative, Community Focused, Courageous and Creative. These were launched via a series of informal staff 'huddles' across the corporate estate including depots and neighbourhood offices. These behaviours are at the heart of refreshed My Conversation (our appraisal approach) guidance which was launched at the start of the 2023.
- 2.9 Following the launch of The Haringey Deal, we have created a portal called The Haringey Deal implementation guidance for staff, which outlines our ambition to change the way we work and change our practices. It makes a commitment to both designing services and developing different relationships with residents and partners with a key focus in the Haringey Deal on working in partnership with communities to address residents' priorities. The implementation guidance intranet hub aims to clarify the ambitions of the Haringey Deal and provide practical examples of exemplary practice, to support us in continuing to develop our approach.

- 2.10 In May 2023, we participated in a Corporate Peer Challenge, organised by the Local Government Association (LGA). The Peer review challenge involved a team of experienced council officers and councillors from other local authorities reviewing our vision, our priorities and plans and the work we are doing as “peers” to provide challenge and share learning. The final report was issued in October 2023 and a copy is available at LGA Corporate Peer Challenge Final Report (haringey.gov.uk). The report noted “Haringey Council is a dynamic and improvement-focused local authority that has strong leadership and should be proud of the services it provides to the community. It provides many good core services to its residents for which it should be rightly proud. The Borough is well-regarded for its high performing schools, and the parks and library services are valued, with the Friends groups keen to collaborate with the Council. It also has a “powerful sense of place, appreciating and celebrating the diversity of the area and the people it serves.” The Peers set out several recommendations, a follow up revisit took place on 25 June 2024 with the LGA spending a day meeting staff, networks, partners, senior managers and testing the progress we have made. Specifically, the LGA looked at what steps we had taken since their first visit, and specifically focusing on:
- Developing a long-term vision and building better partnerships
 - Embedding performance management and delivering change
 - Organisational development and culture change
- 2.11 The peer team were impressed at the level of progress made by Haringey since the Corporate Peer Challenge and noted the detailed and structured approach taken by the Council for making improvements and changes to implement the peer team’s recommendations.
- 2.12 Separately, a joint area inspection by Ofsted and the Care Quality Commission (CQC) was carried out of the Area SEND inspection of Haringey Local Area Partnership over a three-week period in January and February 2024. Both the Council and the North Central London Integrated Care Board (ICB) are jointly responsible for the planning and commissioning of services for children and young people with SEND in Haringey. We received the highest rating for delivering high quality services for young people with Special Educational Needs and Disabilities with the report noting “The local area partnership’s special educational needs and/or disabilities (SEND) arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The local area partnership is taking action where improvements are needed.” The report raised three areas for improvement we continue to make good progress in implementing the recommendations.
- 2.13 In addition, Ofsted carried out a focused visit of Haringey children’s service and published their report on 14 March 2025. Inspectors considered a broad range of evidence, including from children’s individual records and discussions with social workers and reviewed relevant local authority performance and quality assurance information, and spoke to senior leaders, including the head of the virtual school. The report noted that “Most children in care are making good progress, with a strong focus on their education and social needs, and on maintaining their relationships with birth families where appropriate. Their health needs are a priority, and children living outside the borough have additional support. Children are supported to develop trusting relationships with their social workers. Workers invest time with children and use their skills to engage them and understand their wishes and feelings, and what matters most to them. Workers know children well, and they advocate effectively on their behalf.”

- 2.14 In February 2025, the Care Quality Commission (CQC) published its inspection report assessing how we, as a local authority meet our duties set out in the Care Act (2014). The CQC looked at nine areas spread across four themes and rated the Council as requiring improvement. The CQC's chief inspector of adult social care and integrated care, noted "we found the London Borough of Haringey demonstrated a commitment to transformation and improvements, with clear efforts to support people's independence and wellbeing. Although it's too early to assess the full impact on people's experiences and outcomes we did see some results already. Haringey's reablement services were particularly effective, helping people regain independence and reducing the need for long-term care. We were pleased to see the introduction of a more local approach, making it easier for people to access care and support closer to where they live. The authority worked well as part of a multi-agency team, made up of health professionals, social workers, and specialists, to help people stay healthy and live independently. We saw this play a key role in reducing hospital admissions.
- 2.15 However, there are areas Haringey needs to improve. People were waiting too long to have their care needs assessed and were frustrated with the communication around this. This was reflected in the mixed feedback we received about people's experiences. Once people were being supported, they were generally happy with their assessments, but people with additional communication needs and non-English speakers faced barriers when seeking information or trying to access that support. Haringey is aware of this access issue and it's reassuring to see them taking steps to address it. The authority also needs to address the limited local care provision which reduced people's ability to make choices about their care. This also extended to carers who told us they struggled to get access to the support they needed, making it difficult to get a break from their responsibilities and negatively impacting their wellbeing."
- 2.16 We have a statutory obligation to set a balanced budget and for 2025/26, Cabinet received a paper in February 2025 setting out the proposed General Fund Budget for 2025/26; the Medium-Term Financial Strategy (MTFS) 2025/30, and the capital programme. To set a balanced budget for 2025/26, we sought special permission from Government to allow the Council to use capital receipts and borrowing (referred to as Exceptional Financial Support) of £37m for its day to day running costs and supporting the borough's most vulnerable residents. While the Exceptional Financial Support is required in order for us to set a balanced budget, we appreciate that this is not a sustainable position. We will continue to work, across the council, to reduce costs and to make every penny count – and minimise use of EFS as much as possible by exploring ways to improve efficiency and maximise value for money.
- 2.17 In addition, Cabinet received a budget report in March 2025 for the third quarter (April to December 2024) setting out the actual expenditure for the period with projected outturn for the remainder of the financial year. The report projected a year-end outturn of £37.2m forecast overspend, and as the Council has a legal requirement to deliver a balanced position each year, the report noted the authority may not have sufficient resources to cover the full forecast £37.2m overspend and reach a balanced financial position. Consequently, Cabinet was notified the authority may require use of Exceptional Financial Support from government, and that government had agreed in principle that up to £28m could be drawn down for the financial year 2024/25.
- 2.18 KPMG are our external auditors and as such, they are required to provide an assessment of the council's arrangements to secure value for money (VfM). In its assessment, KPMG focused on three key domains: -

- **Financial sustainability:** How we manage our resources to ensure we can continue to deliver our services
- **Governance:** How we ensure we make informed decisions and properly manages our risks
- **Improving economy, efficiency and effectiveness:** How we use information about our costs and performance to improve the way we manage and deliver our services

- 2.19 From their work, KPMG identified five areas of improvement in respect of arrangements to secure VfM and noted these in their Auditor's Annual Report published in February 2025, for the 2023/24 financial year. KPMG's opinion is that the Council does not have appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources. We have agreed the recommendations and set ambitious targets to implement their recommendations.
- 2.20 At the end of March 2025, the Chief Executive concluded his consultation on the changes to the senior leadership of the organisation. The change was in part, a response to the government signalling new ways of doing things, new priorities and the challenging financial position. Following the change, the Placemaking & Housing directorate was disbanded and its services moved to other parts of the council and the senior leadership roles were renamed in order to keep the Council competitive in the recruitment and retention market.
- 2.21 A new directorate of Adults, Housing & Health was established, with a focus on supporting the borough's vulnerable adults and the existing Finance directorate expanded to become the Finance & Resources directorate, adding Digital & Change, Capital Projects & Property and Housing Delivery functions to its portfolio.
- 2.22 The following section highlights each of the seven governance principles set out in the CIPFA / SOLACE framework "Delivering Good Governance in Local Government" and the arrangements in place demonstrating how we meet the governance principles. Any gaps identified as part of the annual review will form an action plan agreed and monitored by the Statutory Officers with all actions to be completed by March 2026.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
<u>Behaving with Integrity</u> a) The standards to which Members and Officers are expected to comply are outline here along with links to key policies which are developed in accordance with legislative requirements and good practice. Our standards Haringey Council b) The Council's Member Code of Conduct is captured in the Council's constitution under Part 5 – Codes and Protocols, Part 5 Section A (Nov 2019), which requires members to declare interests; applies to Members and co-opted voting members on election or appointment. Published on the internet: Part 5 Section A Members Code of Conduct.pdf c) The offer of induction is provided for all new Members when they are elected on expected standards of behaviour. A comprehensive programme has been established since the election in May 2022 to on board new and re-elected members into the Council. The training programme is designed to ensure members are equipped to carry out their role on as committee members. Training on all regulatory committees is mandatory. d) The Officer Code of Conduct was reviewed in 2023, and a new version was published to staff following approval by Members. A copy of the Code is provided to all new officers on appointment and annual reminders are made of the need for employees to comply with specific requirements such as ensuring declarations of interest are formally recorded and declaring any offers of gifts or hospitality which are received. e) Haringey Values were updated in 2023 (Caring, Community-Focused, Collaborative, Creative, and Courageous). The Council ran numerous seminars for staff on what the values meant and how services should demonstrate Haringey values.	Complaints process reviewed 24/25. Review of Code planned for 2025/26 once government response to consultation knows on standards regime.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
f) Decision-making practices for member decisions follow legal and transparency requirements. Agendas and Minutes of Cabinet and Committees and Officer decisions are recorded and published on Modern.gov. How Decisions are made and scrutinised g) Register of interests and gifts and hospitality for members/co-opted checked on election/appointment. Minutes show declarations of interest sought, and appropriate declarations made for each meeting. h) Requirement for all new staff to complete Register of Interests declaration. Senior managers are required to complete a declaration every two years; officers are reminded to complete a new form as/when circumstances change. The HALO system is used to efficiently manage HR processes under a single portal. Gifts and hospitality for members are recorded with their declarations of interests and are published on the website. Our standards Haringey Council i) Standard report format requires report authors to state how their proposal meets the corporate objectives and priorities. Report authors must also provide reasoning and evidence for proposals, so that the basis for decisions is clear and include statutory officer's advice, including legal and finance advice. The standard template for reports was refreshed in 2023/24 with updated guidance included for report authors. j) Anti-fraud and corruption strategy is in place, including the Whistle blowing policy (Oct 2024) they will be reviewed again in 2026. The Head of Audit and Risk Management reports on actions, effectiveness and outcomes (and use of the whistle blowing policy) to Audit Committee, in quarterly report and in July as part of the Annual internal Audit Report and provides awareness presentations to Senior Leadership Team. Copies of the policies are on the internet. Anti-fraud and Corruption Policy Oct 2024 k) Corporate and service specific complaints policies are in place and published on the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council's Senior Leadership Team. More information is being	Ensure full compliance by officers with the requirements set out.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
published and made easily accessible to customers. Training sessions have been developed looking at examples of best practice in responses and getting it right first time. Following comments from the Peer Review a forum has been periodically held to help with improvements in this area. Make a complaint Haringey Council l) Local Code of Corporate Governance was refreshed in 2023/24 and was approved at the Full Council in July 2024. Local Code of Corporate Governance <u>Demonstrating strong commitment to ethical values</u> m) The Standards Committee, along with the Council's Monitoring Officer, establishes monitors and maintains the organisation's ethical standards and performance, reporting to full Council, as necessary. The committee deals with allegations of breaches of the Member Code and issue (or require Groups to issue) reminders/advice notes to Members where issues of conduct cause concern. The Standards Committee n) The Council incorporated the Social Value Act requirements into all procurement and contracts; including a standard clause referring to 'PREVENT' in all contracts, as well as safeguarding and health and safety. A broader review of how the authority carries out procurement activity has been completed, and changes will be embedded in 2025/26. A report will go to Cabinet to approve the Council's methodology of complying with Social Value Act requirements. o) A major review of all the Human Resources policies & procedures is continuous. The policies for revision undergo extensive discussion with relevant groups within the council and with trade unions before the final version is presented to Members for their approval, only when approved are policies published, and details communicated to officers. During 2024/25, HR published the Workforce Plan.	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
p) The Council encourages external providers of services to act with integrity and in compliance with high ethical standards expected by the organisation in information sharing: <u>Respecting the rule of law</u> q) The Chief Executive is appointed by Full Council. Any disciplinary action or dismissal of the statutory officers is dealt with in line with legal requirements that take into account the need for them to fulfil their responsibilities in accordance with legislative and regulatory requirements. Member Committees make decisions on appointments and dismissal of Chief Officers and Deputy Chief Officers. A Statutory Officers Group meets monthly and ensures statutory compliance and is both forward and backward looking and support the organisation and Statutory Officers in fulfilling their roles. r) The Council optimises the powers available for the benefit of citizens, communities and other stakeholders. Decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers. The Council Constitution is reviewed updated and published on the internet: Council Constitution s) Breaches of law/financial regulations can be the subject of a report to full Council or Cabinet by the relevant statutory officer. No statutory officer reports have been required in 2024/25. t) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached.	Review and update the Council's financial regulations during 2025/26.
B. Ensuring openness and comprehensive stakeholder engagement	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<u>Openness/ Implementing good practice in transparency</u> a) The Council Publication Scheme sets out information available to view or download including under the requirements of the Transparency Code 2015. Our publication scheme Haringey Council Member decisions are rarely taken in the private (Part 2) section of meetings. Member delegated decisions are also taken at meetings advertised and open to the public. The constitution allows for deputations and petitions and a call-in procedure for cabinet key decisions is in place. The local and statutory requirements are set out in the Council Constitution: Council Constitution b) The Council carries out consultation on a regular basis with stakeholders. It has a consultation co-ordinator and a consultation charter and toolkit on its internal website. Consultations Haringey Council Under the Haringey Deal, the authority seeks to better understand all its communities including communities that it engages with reduced frequency. c) To ensure we are able to effectively monitor delivery of the outcomes as set out in our Corporate Delivery Plan, reporting takes place formally on a six-monthly basis (for the lifetime of the plan) and quarterly via dedicated performance sessions at our Corporate Leadership Team and via internal meetings and forums with officers and Cabinet Members. d) Formal reporting includes progress updates reported to the council's Overview and Scrutiny Committee for more in-depth consideration. Briefings for Scrutiny Panel Members are arranged ahead of formal meetings and training is provided to encourage understanding of performance issues and risks. Browse meetings - Overview and Scrutiny Committee Haringey Council	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
e) In 2022/23 we established a framework for monitoring progress against commitments and intermediate outcomes as set out in our Corporate Delivery Plan (CDP). The framework brings together activity and monitors progress towards the achievement of intermediate outcomes with metrics and commentary on all commitments in the CDP including Manifesto pledges. The framework is not solely based on Performance Indicators so gives a broader picture of change and progress towards achieving our objectives. Updates include metrics and a rating on Direction of Travel. The Corporate Delivery Plan 2024-2026 f) We use “Monday.com” as a tool for tracking progress where live updates on progress is captured and reported on a quarterly basis with dynamic links and Dashboards so progress can be actively monitored. As part of the early warning and risk analysis Directors also produce a summary of highlights and areas for focus each quarter and these are shared as part of the published papers. More recently we have introduced more robust performance management reviewing our approach to monitoring whereby we have established a single performance framework. g) Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required covers key performance indicators, capital delivery, savings programme delivery and transformation programme delivery as part of the Council's new Change framework. Members are briefed on performance across all these workstreams so that they get a holistic view of progress, and we ensure consistency of reporting and aligned governance arrangements as part of the Cabinet Accountability Model. Our Leader is the Cabinet Member responsible for the CDP and performance so there is clear leadership and accountability. h) In addition to the arrangements that have been put in place to monitor the delivery of the Corporate Delivery Plan, new arrangements have been introduced by central	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
Government in the form of an Office for Local Government (OfLOG). The stated purpose of OfLOG is “to provide authoritative and accessible data and analysis about the performance of local government and support its improvement.” The data can be viewed at Home - Local Authority Data Explorer - GOV.UK . A report updating on the OfLOG metrics, and any associated risks or early warning flags is discussed at Corporate Leadership Team on a periodic basis to reflect on what the comparator data is telling us. <u>Engaging comprehensively with institutional stakeholders</u> i) Formal and informal partnerships allow for resources to be used more efficiently, and outcomes achieved more effectively; key partnerships include the Haringey Safeguarding Children Partnership, Safeguarding Adults Board (SAB), Multi-Agency Risk Assessment Conference (MARAC) and the Community Safety Partnership (CSP). Agendas and minutes for the CSP are published on the website: http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CId=444&Year=0 j) Resident engagement also occurs in formal consultation and engagement processes during 2024/25 this has included extensive community engagement via Wood Green Voices: Wood Green Voices Haringey Council, and Tottenham Voices Tottenham Voices Haringey Council and in relation to key strategies including the Parks and Green Spaces Strategy and Community Safety Strategy. k) Last year the council launched the Haringey Engagement Hub which is developing into a ‘one stop shop’ for all engagement and consultation opportunities. Have Your Say Today - Haringey Engagement Hub - Commonplace	
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; and D. Determining the actions necessary to optimise the achievement of the intended outcomes	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u> a) The Corporate Delivery Plan sets out how the Council will work with partners and with communities to improve the borough and make Haringey a more successful place, while delivering a significant savings programme by 2026. The plan has eight themes, each under-pinned by a series of ambitious targets. It considers and balances the economic, social and environmental impact of policies, plans and decisions. The Plan includes a challenging set of performance measures. Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required. b) Programme planning and management require focus on outcomes and benefits identification and tracking as part of project implementation. There is a clear and consistent approach to the reporting of outcomes, benefits, risks and issues. The Plan was published on the website and recently refreshed to reflect the manifesto priorities of the administration: Ambitious new vision for Haringey Haringey Council c) The Council publishes updates on its website to show how the Council and partners are achieving against specified outcomes and activity including metrics where applicable every six months. https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=128&MID=10689#A177431 Agenda for Overview and Scrutiny Committee on Thursday, 27th March, 2025, 7.00 pm Haringey Council d) The intermediate outcomes specify the intended impact on service users, residents and other stakeholders. Effective performance monitoring of the Council's progress towards achieving the outcomes in the Corporate Delivery Plan is fundamental to understanding impact and as such provides a means to	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
measure progress on what we are delivering against what we said we would do i.e. The change we expect to see over the 18-month period of the strategic plan. e) The Council has an agreed Medium-Term Financial Strategy (MTFS). These set out how the Council will deliver the corporate plan taking into account the full cost of operations and within available resources, balancing service priorities, and ensure its workforce has the right skills to enable it to achieve the agreed outcomes. Regular reports are provided to the Cabinet: 2025.26Budget and 2025.30MTFFS ver1.0.pdf f) Robust planning and control cycles cover strategic and operational plans, priorities and targets. An internal process provides regular monitoring and scrutiny of the Corporate Delivery Plan and resources applied. Performance against objectives and outcomes is published on the website as part of papers for Cabinet and also accessible in viewable. Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required dashboards from our web-based project and programme management tool: Corporate Delivery Plan (monday.com) g) A five-year capital programme was approved by Full Council on 11 February 2025, which sets out the Council's longer-term investment requirements linked to policy objectives, updates are provided to Cabinet annually at the February meeting: 2025.26Budget and 2025.30MTFFS ver1.0.pdf <u>Determining actions and optimising achievement of intended outcomes</u> h) The Council includes requirements to enhance social value in contracts. For example, construction projects over £1m in value must include an apprenticeship scheme, and where possible, employers are encouraged to pay the London Living Wage.	The Council's financial position has deteriorated over the last 12months. Increased demand pressures in social care and temporary accommodation means that setting a balanced budget for 2024/25 and 2025/26 is only possible with exceptional financial support (ESF). A response and recovery plan has been developed taking account of insight from external audit, internal audit and a financial resilience exercise. The actions are aimed to reduce the current and any future reliance on EFS, improve the Council's financial sustainability, including rebuilding reserves and reducing debt levels by reducing the Capital Programme.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
i) High value procurements include a significant weighting in the 'social value' section and, where applicable, requirements as to the use of community assets.	
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	
<u>Developing the entity's capacity</u> a) The Council's Workforce Development Strategy aims to create a better place to work and to ensure the Council has the right people in the right places with the appropriate skills to deliver the Council's priorities. The plan is published on the website: haringey_workforce_strategy.pdf. During 2023/24 the Council reviewed this strategy, and on 18 June 2024, Cabinet approved the refreshed strategy and accompanying action plan. There is a clear focus on Directorate-led workforce planning, supported by the Council's corporate services, in the new strategy. b) Workforce expectations also form a clear part of contracting and commissioning processes, as our workforce is not limited to employed staff, including complying with minimum and London Living Wage requirements. <u>Developing the capability of the entity's leadership and other individuals</u> The Council Constitution specifies the types of decisions that is delegated and those reserved for the collective decision making of the full Council or Cabinet. Council Constitution c) The Council's Constitution sets out the leader and chief executive roles to ensure the respective responsibilities are defined in accordance with decision-making accountabilities. These comply with relevant statutory requirements. It also includes	Following the change in the structure of the senior leadership, ensure all Council policies and strategies (such as scheme of

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
the general scheme of delegation. Each service area also has a service area scheme of authorisation for officers, currently published on the intranet. d) Members who sit on Committees are provided with training specific to their responsibilities for these committees. Training sessions have commenced for member for planning, licensing, audit, finance, pensions and treasury. e) The Council provides a programme of training for all members, and members have access to the Council's corporate training and development programme, which is published on the internal website. f) The Council rolled out 'My Conversation', a performance management process, to all staff, which focuses on personal and organisational development and performance; the General Purposes Committee receives regular reports on people management issues in line with the Workforce Plan objectives. Guidance and templates for all staff are published on the internal website. A review was undertaken to refresh the current performance management process in line with best practice and the Council's new organisational values, which rolled out in 2023. g) The Council's Workforce Development Strategy aims to create a better place to work. The update Strategy was launched in 2024. The Council's corporate Health, Safety and Wellbeing Board monitors all key aspects of statutory and local requirements and has an action plan in place to address any identified gaps in compliance. Health and Wellbeing Fairs have been run to promote employee health. and there is a dedicated suite of pages on the Council's intranet site focussed on all aspects of employee wellbeing. h) The Council ran a comprehensive staff survey in late 2023, with the results being disseminated in 2024 and an action plan will be developed. i) A wide-ranging management and leadership development programme has been rolled out in 2024, to increase the capability and capacity of all people managers	delegation) that facilitate its operations are up to date and reflect the new structure. Directors to ensure completion of the My Conversation process by all officers and managers as a matter of course. The External Audit Annual Report January 2025 encouraged the Council to consider the Workforce Strategy due to high reliance on Agency Workers and that the 'time to hire' metric should be monitored.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
within the organisation, along with a complete refresh of mandatory training, which is required to be completed by all employees. The Council has protocols in place which govern how the operational and working relationships between officers and members are managed and forms part of the Constitution: Council Constitution j) The Council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness; the Delivery Plan highlights key performance objectives, targets and outcomes, which are monitored and reported via the Council website. The performance reporting also compares current performance with statistical neighbours, London and England averages in most cases: Data and finance Haringey Council	Look to refresh the protocol during 2025/26.
F. Managing risks and performance through robust internal control and strong public financial management; and G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
<u>Managing risk</u> a) The Council has a Corporate Risk Management Policy and Strategy in place; it was reviewed and approved by the Audit Committee in Oct 2024. A project to strengthen risk management and embed the strategy commenced and will continue into 2025/26. Risk Management is embedded through a variety of processes and procedures, management teams, groups and boards across the organisation and is central to activities, including business planning and project management processes. Zurich Municipal have supported the risk management project as part of their role as the Council's insurers with some specific targeted workshops and Monday.com has been developed to capture directorate and corporate risk registers alongside the other risk and performance information held by the Council. Investment into Corporate Risk Management activity and a technological solution to support achievement of objectives was procured in 2023/24. https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=730&MId=9449&Ver=4	Continue to embed risk management principles Implement technology to support the framework and process in 2025/26.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
b) The Council's key risks are managed via corporate risk and directorate risk registers. Responsibility for individual risks and issues identified is clearly set out in risk registers. Internal audit reviews of key risks are undertaken as part of the annual audit programme. Performance objectives and outcomes are reported on the website: Data and finance Haringey Council. The corporate risk register was reported to the Audit Committee most recently in March 2025 Corporate cttee - audit. c) Haringey's business continuity planning is based on risk assessment and business impact analysis. Each service area produces a business continuity plan which is updated twice a year. Service continuity plans are incorporated into the Council-wide Business Continuity Plan. The resilience of the Council's digital infrastructure is central to these plans. A Corporate Resilience and Emergency Planning Board meets quarterly to ensure risks and issues are collectively understood and response is collaborative; the Board reflects on incidents to ensure learning from experience. Proactive exercises are undertaken to test arrangements for the Council or as part of a wider exercise in the Borough/London. More information on business continuity and emergency planning is available at: Major emergencies Haringey Council <u>Managing performance</u> d) The Council monitors service delivery effectively including planning, specification, execution and independent post implementation review which is set out in the Delivery Plan and outcome priorities: The Corporate Delivery Plan Haringey Council e) Overview and Scrutiny takes a detailed look at the Council's decisions and policies and works to promote open decision making and democratic accountability in Haringey by holding the Cabinet to account; developing and reviewing policy in an inclusive cross-party manner that involves local communities and other interested parties, reviewing the performance of the Council and scrutinising local services not	The Business Continuity arrangements will be refreshed and during 2025/26, the plans reported to the Council's Audit Committee for scrutiny.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
provided by the Council, such as health services. Overview and Scrutiny Committee also reviews performance on a quarterly basis and individual Scrutiny Panels consider performance with reference to their reviews. The reports and recommendations are discussed and responded to by the Cabinet and published on the Council's website: Browse meetings - Overview and Scrutiny Committee Haringey Council <u>Strong public financial management and robust internal control</u> f) The Medium-Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council's priorities. The MTFS identified savings required to deliver a balanced budget position each year between 2024 and 2029 before being approved by Full Council in February 2025; the reminder has yet to be identified and will form part of the financial planning process during 2025/26. Each Departmental Management Team (DMT) considers finance and budgets at every meeting, looking at both the budget and savings positions and tracking progress on both. Transformation and delivery of outcomes are aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website. g) The Council's financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Managers submit monthly budget forecasts, and the Cabinet receives quarterly budget management information. h) The Council operates a 'zero tolerance' approach to fraud, bribery and corruption. The anti-fraud, bribery and corruption policy and strategy was reviewed in 2024 and includes appendices specifically relating to money laundering and terrorist financing and a whistleblowing which form part of the overall governance framework to tackle fraud. The policies are published on the Council website and regular articles on how to report fraud and successful outcomes are published. A fraud risk assessment is undertaken annually to help determine the prioritise and the work plan	Re-assess the Council's financial management arrangements against CIPFA's Financial Management Code (FM Code), which provides guidance for good and sustainable financial management in local authorities.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
for the year. In 2024/25, the Council investigated Housing fraud and 42 properties were recovered and 49 potentially fraudulent Right to Buy applications were prevented. The Council prosecuted three blue badge fraud cases. Referrals made using the whistle blowing policy and all internal cases were reviewed and investigated, in line with our policy and fraud outcomes are reported to the Audit Committee, copies of the reports are on the website. Referrals made using the whistle blowing policy were all reviewed, investigated, and reported to the Corporate Committee, copies of the reports are on the website: Browse meetings - Audit Committee Haringey Council i) The Council's Head of Internal Audit produces an Annual Report including a Head of Internal Audit Opinion which is presented to Statutory Officers and Corporate Leadership Team, and formally presented to Audit Committee in July every year. The Annual Report is a key document used as part of our annual review of governance. j) KPMG were appointed as the Council's external auditors from 2023/24. During 2024/25 the outgoing external auditor completed the outstanding audits, which were presented to Audit Committee in December 2024. KPMG completed their work for the 2023/24 financial year and presented to Audit Committee on 27 January 2025. k) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are reported to the Audit Committee on a quarterly basis. Most high priority recommendations, excluding those covering schools' audits, made by internal audit were found to be implemented when follow up audits were undertaken. The Audit Committee fulfilled its terms of reference in relation to audit functions. Following the recent CIPFA application note on Audit Committee, the Corporate Committee's terms of reference have changed, and an Audit Committee created. This Committee's terms of reference are in line with the CIPFA guidance and conforms with CIPFA's application note. Details of the Committee can be found at Browse meetings - Audit Committee Haringey Council	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
l) The Council's internal control arrangements are subject to annual self-assessment by the Head of Audit and Risk Management; any gaps in compliance with mandatory standards are included in the statutory annual Head of Audit report. In line with the Public Sector Internal Audit Standards, a peer review was commissioned and reported the Internal Audit Service was fully compliant with the standards Final Report for the external assessment of the internal audit function (haringey.gov.uk) <u>Managing data</u> m) The Council has policies dealing with various aspects of data management including security and data protection; Freedom of Information Act; information asset registers; and general records management. These and supporting guidance are all published on the intranet. Data quality policy is published on the website: Haringey Council Electronic records management policy <u>Implementing good practices in reporting</u> n) We produce an annual report to accompany its statement of accounts; for 2023/24, we received a (disclaimer) qualified opinion from the external auditor. This means that while the auditors believe the financial statements generally present a true and fair view, there were certain matters where they were unable to obtain sufficient and appropriate audit evidence. Specifically, the auditor's annual report for 2023/24 states that the auditors were unable to determine whether any adjustments were necessary to the opening balances as at the 1st of April 2023 or whether there were any consequential effects on the Council's accounts for the year ended 31st March 2024. The auditors also raised a number of recommendations following their review of the Council's arrangements for delivering value for money. https://www.minutes.haringey.gov.uk/documents/s149588/Haringey%20Draft%20AAR%20AC.pdf	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
o) The Council's Annual Governance Statement (AGS) is produced in accordance with required guidance and included in the statement of accounts; the AGS is reviewed by the Statutory Officers Group and the Audit Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. In 2024/25 there was a formal follow up presented to Audit Committee to communicate the progress with the action plans. Significant issues reported in 2023/24 are being addressed but most will remain on in 2024/25. p) As part of the Delivery Plan, Corporate Directors are responsible for delivering the activity against specific milestones with a responsible manager and Lead Member allocated as owners for each outcome as specified in the Corporate Delivery Plan (CDP). Outcomes, activity, and performance on delivery against the 188 lines of activity and milestones as set out in the CDP. The last performance update report to Cabinet was on 18th March 2025 and papers can be found here: Corporate Delivery Plan Performance Update-Quarter 3 Cabinet 03 24 report.pdf <u>Assurance and effective accountability</u> q) Internal and external audit provide assurance on the Council's system of internal control to support the section 151 officer requirements, including reporting compliance with financial and contract procedure rules across the Council. The outcomes of internal audits were reported to the Corporate Committee and from 2024/25, the Audit Committee on a quarterly basis. All outstanding recommendations were reported to Corporate Committee; a focus is maintained on ensuring all high priority recommendations are implemented. All outstanding recommendation continue to be monitored. r) The Head of Audit and Risk Management and the internal audit service fully complied with the requirements of the mandatory UK Public Sector Internal Audit Standards, as evidenced by peer review and self-assessment. Access to officers, members and information is provided by the Constitution.	

4. Significant governance issues

4.1 Following our review of governance in 2023/24, we identified some key areas where work would be undertaken in 2024/25 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress as at 31 January was reported to the Audit Committee in March 2025, this is set out below.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. Corporate Director of Finance and Resources (s151) March 2025	The Council's financial position is challenging, and necessary action must take place to protect its long-term financial sustainability and reduce reliance on Exceptional Financial Support. During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations but must be further improved during 2025. This has included: • Establishing a set of budget and financial planning principles. • An open and transparent relationship across the organisation, including with CLT and Members for organisational ownership of the financial position. • Review of financial pressures. This has initially focussed on 2025/26 but also across the 5 years of the MTFS. This is now based on the current financial position across services, particularly social care and housing demand (temporary accommodation), increasing the use of data and evidence to forecast pressures, scenario planning and a more realistic view of risks with the estimates. • Review of all current and proposed savings to test their validity and assurance on delivery. • Review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. • Regular review of all assumptions through the annual budget setting process as new information comes to light, up to the point of publication. • Review of the Capital Programme which will be undertaken annually as part of the budget process and its governance. This includes establishment of a Strategic Capital Board to oversee the development, monitoring and reporting of the whole programme and improve the decision making of all schemes as well as prioritisation

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing. • A refreshed Budget Week in June 2024 and further planned for 2025 with a focus on increasing awareness and accountability of Leadership Network and time within the week for identifying budget proposals and delivery plans. • Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. This review is underway, and the outcome will be reported in the 2024/25 Outturn report and any balances expected to be required for addressing the current forecast overspend of £37m in 2024/25. This review includes the implementation of the budget principle of replenishing reserves over the medium term and an annual contribution has been assumed from 2026/27 onwards. • External support commissioned to support in a full review of all services to identify further opportunities to reduce costs and spending and increase income. An 'emergency response' will be put in place and overseen by the Chief Executive and Director of Finance and which will establish an organisation response to the immediate financial position for 2025/26. This will be based on an improvement and recovery plan. Progress will be monitored weekly and reported to Cabinet and Scrutiny as part of the quarterly finance report and will form a key part of the Annual Governance Statement reported to Audit Committee. All of the actions put in place in 2024 will continue and be further improved and strengthened but more will be required in light of delivering the recovery plan. For 2025, this includes: • A move towards medium term financial planning and work to balance the 2026/27 budget will commence before the end of the current financial year. • A review of the structure and format of budget week which will take place earlier in the year and allow more time to focus on delivery of change. • More structures communications plan with the whole organisation on the position and changes required

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	A redesigned Corporate Project Management Office now supports delivery of the Category AA/A projects, to which many savings or required income streams are linked. During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. There will therefore be focus on this for 2024/25 from a Governance perspective. The financial partnership between the Council and the Health Sector is another area identified in 2023/24 for strengthened collaboration to drive out outcomes. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained three recommendations that have been accepted by management with regards this governance issue. The recommendations relate to: • Creating a Financial Resilience Plan. • Strengthening the robustness of the budget fortnight. • Changing the culture around savings. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS. The report also contains ten financial control deficiencies and progress to address these will be reported to committee as part of routine financial updates with regards the 2024/25 Annual Statements of Accounts and the External Audit of those documents.
We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate.	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on the SAMPIP objectives. There are ten Strategic Asset Management Performance Improvement Plans are monitored through Monday.com as part of day-to-day operational performance. Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
Corporate Director of Placemaking and Housing March 2025	Progress is then taken through our property governance process on a monthly basis. The transformational nature of this work means the Corporate Property Model, which is fundamental to the implementation of the action plans; is part of the councils change programme, reported monthly and to Corporate Leadership Team on a quarterly basis. Internal Audit resources are allocated to monitor and report independently on progress. An annual update of the progress against the SAMPIP action plans is taken to cabinet. As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year. January 2025 Update Cabinet was updated on the progress with the SAMPIP in July 2024. Link to the report attached <u>(Public Pack)Agenda Document for Cabinet, 16/07/2024 18:30</u> The full business case for the Corporate Property Model was agreed in October and approved through the council's property governance process. This is a key step in bringing hard and soft FM service back together and ensuring all operational, strategic and commercial property sits in one area. Progress reports on the SAMPIP are taken through the councils property governance process on a monthly basis, which is chaired at the top level by the councils 151 statutory officer to ensure corporate compliance and oversight. Given the improvements implemented so far, we have significantly improved the financial performance of the commercial portfolio. The Property Review process within the SAMPIP has been completed for all directorates with feedback given. This will now inform the next steps with regards to the operational portfolio.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	Follow Up work regarding the Chris Buss property review has been completed in January 2025 and all actions confirmed as implemented. Further follow up work re outstanding audit actions, in this area, will be completed in March 2025. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases. The recommendations relate to: • Reviewing all Leases. • Implementing technology to enable effective monitoring. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.
Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing. Corporate Director of Placemaking & Housing March 2025	This issue was identified in 2022/23 and the due date set was March 2025, the progress made regarding the statutory compliance failings is noted above, and as expected the wider Housing Improvement Programme continues into 2024/25 and beyond. The project is classified as Category 'A', so monitoring and reporting goes to Corporate Leadership Team via the Corporate Project Office in addition to the local oversight within Placemaking and Housing. Annual Update to Cabinet June 2024. Audit Committee periodically request updates and assurances from the Operational Director for Housing, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan. Update January 2025

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement. The data shows consistently good performance against the 'big six' health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the full implementation of the new compliance data system across all compliance areas. The service has agreed a target of 700 homes to be made decent by 31 March 2025 with the Regulator. If this target is achieved, it will increase the percentage of homes meeting the standard to 80.0%. 103 homes have been made decent as at the end of Q2. There are a further 620 homes in the pipeline to be made decent through internal works, fire door and other programmes for this year which will enable us to meet the target. We continue to closely monitor and scrutinise performance through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board.
Due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements. Monitoring Officer	We have an internal self-assessment that is maintained and has evolved since the independent work by Mazars in 2021/22. We have an improvement action plan that is tracked, and progress reported to the Information Governance Board. As part of last year's improvements, we strengthened the arrangements over the Information Governance Board and this new regime will fully embed in 2024.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
March 2025	The Information Commissioner have inspected in May 2024, and this will generate new actions to be incorporated into existing actions plans. This Corporate Risk area is owned at Corporate Leadership Team and progress to complete the approved improvement plans is monitored there. Update January 2025: The assurance ratings from the June 2024 ICO Audit Report were: • Governance & Accountability: Reasonable Assurance • Training & Awareness: Reasonable Assurance • Breach Management & Reporting: Limited Assurance The summary report is published on the ICO website. The ICO approved our Action Plan to address their recommendations, and they will follow up on completion and implementation in 2025 (date to be agreed). 20% of actions have been completed and 19% are in progress. Progress is reported to the Information Governance Board and the Corporate Leadership Team quarterly.
The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.	New Workforce Development Strategy 2024 has been to cabinet for discussion Informal cabinet in early June and Cabinet approval, likely on 18 June. Launch will be raised in budget week and will be launched by the Human Resources Business Partners shortly after. New approach to Manager training being designed - in progress pilot to launch July 24. Review of the use of Agency Workers use is ongoing and there is an accelerated recruitment protocol in place.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
Corporate Director of Culture Strategy & Engagement March 2025	Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required. Update January 2025 New workforce strategy and action plan approved by Cabinet and launched. Work begun on first Directorate and service-specific workforce development plans, targeting areas with particular recruitment and skills challenges. Pilot programme launched and in progress. Initial feedback very positive. Focus on agency spend continues and spend is reducing. Reports showing progress are made to the General Purposes Committee. This contract will be retendered in 24/25. Action ongoing. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan.
The Council has recognised weaknesses with regards procurement and contract management arrangements in recent years, some incidences of Fraud have occurred in 2023/24 and there has been new regulatory requirements applied from 2025. Corporate Director of Finance and Resources March 2025	The Council has reviewed its procurement operating model and is embedding a new staffing structure, policies, and procedures along with a new technology platform in 2024. This is a significant change programme that continues into the new financial year 2024/25 with wide reaching impact on the governance framework centrally and across directorates. The project is classified as Category 'A', so monitoring and reporting goes to Corporate Leadership Team via the Corporate Project Office. Audit Committee periodically request updates and assurances from the Chief Procurement Officer, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	Update January 2025: The Council continues to progress implementing the new procurement operating model. The revised staffing structure to support the operating model will be in place in November. The revised CSO's are approaching final draft and are anticipated to be in place in March 2025. The Procurement Act has been delayed until 24 February 2024 and therefore some new procedures will need to be deferred and aligned with the implementation of the Procurement Act. The centralisation of procurements above £25k will be implemented March/April 2025 and is anticipated to mitigate potential non-compliance and fraud. Work has begun on implementing new category strategies to deliver better value for money. Revised procedures, training and communication is ongoing. Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained two recommendations that have been accepted by management with regards this governance issue. The recommendations relate to: • A 'stock take' of all contracts. • Implementing technology to enable more effective monitoring. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.

- 4.2 We have identified the following significant governance issues during 2024/25 and reiterated those identified in prior years that remain open for monitoring. It is proposed over the coming year to take steps to address the governance issues in these areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. (This may need to be strengthen depending upon the financial outturn / future financial projections).	The Council's financial position continues to be extremely challenging. The outturn position for 2024/25 was a £38m overspend on services, predominantly social care and temporary accommodation. Although this has been partly offset by one off use of reserves and historic balances, £20.4m of savings were expected to be delivered in year, only 63% was delivered. Of the non-delivered savings, £440k has been written out in future years as non-deliverable, the remaining is expected to be delivered in full in 2025/26. In total, £30m of savings are expected to be delivered in 2025/26 and although contingency has increased to protect against the non delivery of some, it will not be sufficient if non delivery percentage remains at a similar level. A strengthened process has been established for the monitoring and reporting of savings which will track bot the financial savings and progress with the changes to deliver the savings. Monitoring is in place monthly to enable corrective action to be taken early in the year for any non delivery and is reported to Silver and Gold through the Council's emergency response arrangements. During budget series in April, the focus was on the delivery of existing savings, with all of Leadership Network working together on the development and implementation of delivery plans, with a particular focus on cross cutting savings. During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations and planning is well underway for 2026/27 budget planning. This includes:	Corporate Director of Finance and Resources	31/3/2026

Issue	Action	Responsibility	Due date
	• Review of financial pressures. This has initially focussed on 2026/27 but also across the 5 years of the MTFS using the 2024/25 outturn and period 2 forecast for 2025/26 as the basis and strengthening the use of scenario planning to consider risks and uncertainties to give a more realistic view of risks with the estimates. • A review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. • Regular review of all assumptions will continue through until December 2025 as new information comes to light, up to the point of publication. • Review of the Capital Programme with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing. • New capital programme governance arrangements are now in place which includes a new gateway process for ensuring that no capital scheme progresses without a clear business case that has been approved. • A refreshed Budget Series took place in April, May and June 2025, with a focus on ensuring existing savings are on track for delivery and identifying new savings and income opportunities to balance the budget for 2026/27. These are being considered in a structured way through four lenses (efficiency, commercialism, prevention and prioritisation) to ensure that every £ spent is delivering on the outcomes in the CDP and prioritisation is in line with smaller funding envelope and keeping any ongoing reliance on EFS to a minimum. • Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve		

Issue	Action	Responsibility	Due date
	to identify any transfer into the Budget Planning Reserve. The first phase identified £2.9m to contribute to reducing the overspend position in 2024/25 and a furthermore forensic review will be undertaken in quarter 1 of 2025/26. The MTFS assumes replenishing reserves over the medium term and an annual contribution of £3m has been assumed from 2026/27 onwards. An 'emergency response' has been put in place across the organisation in line with GOLD and Silver arrangements and overseeing the delivery of the Financial Recovery Plan developed by the Section 151 Officer. Progress is reported to internally and quarterly through the finance report to Cabinet and OSC. All non-essential spend must now be approved by the Spend Control Panel and the Recruitment Panel must approve all new recruitment. It is likely that tighter controls will be put in place from quarter 2 of 2025/26. The controls are also expected to improve purchasing compliance in line with the Council's policies and processes. A redesigned Corporate Project Management Office supports delivery of the Category A projects and a recent review of the criteria has led to a new set of projects being supported and which are linked to the delivery of savings. During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Full details are published in the 2024/25 outturn report and the number of schools with a deficit has increased to 33. The Council continues to work with schools in deficit on the recovery plans, including staffing restructures. The financial partnership between the Council and the Health Sector is an area of focus in light of the changes to ICBs being implemented by Government. The exact impact is not yet known		

Issue	Action	Responsibility	Due date
	but does pose a financial risk in terms of joint funding arrangements through the BCF. THE 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.		
We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate.	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on the SAMPIP objectives. Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings. Progress is then taken through our property governance process on a monthly basis. The Corporate Landlord Model was implemented from 1 April 2025, including the transfer of budgets and staffing resources. However, it is likely to require the remainder of the year for this to be fully implemented. This is a key step in bringing hard and soft facilities management service back together and ensuring all operational, strategic and commercial property sits in one area. Cabinet in June agreed the Council's Disposals Policy and an internal Disposals Board, chaired by the Corporate Director of Finance and Resources is in place to oversee the implementation of the policy. Internal Audit resources are allocated to monitor and report independently on progress.	Corporate Director of Finance and Resources	31/3/2026

Issue	Action	Responsibility	Due date
	An annual update of the progress against the SAMPIP action plans is taken to cabinet. The last update was in May 2025. As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year. Good progress has been made on reviewing the Council's commercial property portfolio gaining a more holistic view of the properties and lease arrangements which has significantly improved performance, including increased income levels. In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases. The recommendations relate to: • Reviewing all Leases. • Implementing technology to enable effective monitoring. These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS. The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.		
Following our self-referral to regulator we continue with our Housing Improvement	The issue was identified in 2022/23, with the Housing Improvement Programme (HIP) continuing from this time. The Housing Improvement Programme was classified as a Category 'AA' project,	Corporate Director of Adults, Housing and Health	31/3/2026

Issue	Action	Responsibility	Due date
Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing.	so monitoring and reporting went to Corporate Leadership Team via the Corporate Project Office in addition to local oversight within Housing Services. Of the 213 actions included within this programme, 81% are complete with progress ongoing. A mock inspection of the housing service was carried out by HQN in September/October 2024 against the new Consumer Standards set by the Regulator of Social Housing, which included the Safety and Quality Standard. An action plan was developed in response to identified areas of improvement which is reported to the Member Housing Improvement Board six weekly, with the action plan having been overseen by this Board since March 2025. We continue to closely monitor and scrutinise performance and progress through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board. The Building Safety Strategy for 2024-28 was approved by Cabinet in July 2024. This strategy details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. The Building Safety Strategy was part of the Housing Improvement Plan, tackling repairs, fireproofing, insulation, security and other renovations and went beyond what is required by the government. The Building Safety Strategy was created with residents and residents' involvement in future decisions remains a core objective. The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation of the new		

Issue	Action	Responsibility	Due date
	compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement. As of June 2025 all of the 'big six' modules are now set up on the new compliance system, with full inspection programme information uploaded. All FRA actions have been integrated into the system, removing the use of spreadsheet to manage actions, and we will also look to implement additional modules for other compliance areas. The data shows consistently good performance against the 'big six' health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the embedding of the new compliance data system across all compliance areas. The service has exceeded the target of 700 homes to be made decent by 31 March 2025 with the Regulator, where 791 homes have been made decent for 2024/25. This has meant the percentage of homes meeting the decent homes standard has increased to 80.7% from 78.4% in 2023/24. To achieve this target, mitigating actions included planned internal, Fire Door Replacement and Electrical Works, and a programme of validation surveys. We completed our 3 year stock condition survey in May 2024 with 75% of the stock surveyed. The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the Contract Award report being approved by Cabinet on 17 June		

Issue	Action	Responsibility	Due date
	2025. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023. Our performance across Housing Services and specific service areas and improvements are also overseen by the Housing, Planning and Development Scrutiny Panel. Audit Committee periodically request updates and assurances from the Director of Housing Services, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2025/26 to provide independent assurance to Senior Leaders and Members as part of the 2025/26 Audit Plan.		
Due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements.	Following the ICO Audit in June 2024, the Information Governance team have been working on delivery of the detailed Action Plan to address the ICO's recommendations. Most actions have been completed, a small number are still in progress. The ICO will be doing a desktop review of progress in July 2025, but will not do a full re-audit. Development work will continue after the Action Plan is completed, as we also use the ICO's accountability tracker which goes beyond the focus of the 2024 audit. Specifically in relation to information rights requests (which were not covered in the Audit), a new system was introduced in April 2025. When this has been fully implemented, it should give us greater visibility of cases, more granular reporting and improved case management. Alongside the new system, we are reviewing the way that cases are assigned and the support and guidance we provide to colleagues.	Corporate Director Culture Strategy Communications	31/3/2026

Issue	Action	Responsibility	Due date
The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.	We have a workforce strategy which principally was created to deal with this risk. The main action in the current municipal year is for Directors and Corporate Directors to complete workforce action plans for their areas which outline their workforce needs across the spectrum in terms of, for example, recruitment, retention and learning and development. These needs need to be framed in the context of future service delivery and the finances available. A corporate template has been developed and tested, and resources made available to support all Directors and Corporate Directors with this important task. On a more day to day level, we have core HR policies available to support managers and leaders in managing their existing workforce and recruiting new employees, including flexibility on recruitment of current agency workers into directly employed posts and arrangements to pay market supplements where it can be objectively justified.	Corporate Director Culture Strategy Communications	31/3/2026
The Council has recognised weaknesses with regards procurement and contract management arrangements.	The Council has reviewed its procurement operating model and the new staffing structure is in place to facilitate all contract re-tenders above £25k to be managed by the Strategic Procurement Team. This new operating model and new processes will continue to be embedded during 2025 and is anticipated to mitigate potential non-compliance and fraud. The revised CSO's are now in place and were agreed by full Council. Savings of £9m are expected on contracts over the next three years and a new Procurement and Commissioning Programme is now in place which has four workstreams: • Review of large value contracts • Review of all contracts due for re-tender	Corporate Director of Finance and Resources	31/3/2026

Issue	Action	Responsibility	Due date
	• Review of off contract spend • Establishing category management for contracts The programme will cover the full commissioning, procurement and contract management cycle, recognising that improvements are required in all areas. Delivery is being managed through a separate governance board, with progress being reported through to Procurement Board. Procurement Board are also responsible for overseeing all new re-tenders and improving procurement and contract compliance. The Council is compliant with the requirements of the new Procurement Act but some processes are currently manual and an e-procurement system is not yet in place – options are being considered. Regular updates are provided to Audit Committee relating to risk and control due to historic limited assurance audit reports and this will continue during 2025/26. Work has begun on implementing new category strategies to deliver better value for money. Revised procedures, training and communication is ongoing. Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place. The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any		

Issue	Action	Responsibility	Due date
	recommendations when the full report is presented to Audit Committee later in the year.		

5. Review of effectiveness

- 5.1 We take responsibility for conducting an annual review of the effectiveness of our governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each corporate director and director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and by comments made by the Council's external auditors and other review agencies and inspectorates.
- 5.2 The Corporate Director of Finance and Resources holds the Council's statutory section 151 Officer role; the Head of Legal and Governance (the Council's Monitoring Officer) and the Head of Audit and Risk Management have also reviewed the work done by the Council relating to governance issues in 2024/25. Their comments on the key governance issues are as follows:

- Corporate Director of Finance and Resources:

Demand pressures across social care, temporary accommodation, home to school transport and housing benefit, as well as the non-delivery of the agreed savings programme continues to be one of the Council's main critical issues and driving the very challenging financial position. Funding from Government is not sufficient to manage the increasing demand and the recent Spending Review, although will provide for a multi year settlement and some certainty over the next three years will be insufficient.

In the past any gap in delivery of savings or other unplanned overspend has been met with an unplanned drawdown from Council reserves and in 2024/25, £14.4m has been utilised. However, as reported in the last couple of budget reports to Full Council emphasised are already extremely low and any use of reserves to balance the budget or use to address overspends in future years is no longer an option. The 2024/25 Budget included £36.4m of new growth for Adults, Children's, and Housing demand. However, this was not sufficient, leading to a £38m overspend on service budgets. The final use of reserves and review of historic balances has provided £37m of one off contributions to mitigate this overspend but the Council has been reliant on EFS from Government of £10m for 2024/25 and expecting to require up to £37m for 2025/26. This is not a sustainable solution because of the borrowing costs associated with EFS which only adds to the scale of the budget shortfall each year.

A forensic review of the remaining £19.7m in the services reserve and unspent grants reserve is underway to determine if any further sums can be released, but it is expected this will identify that most are largely committed.

The 2025/26 budget assumes £30.4m of savings but a reliance on Exceptional Financial Support of up to £37m to set a legally balanced budget, after accounting for known budget pressures.

An emergency response to the financial position is in place with Gold and Silver emergency arrangements in place to oversee the delivery of the Financial Response and Recovery Plan prepared by the Section 151 Officer. This includes a spending control panel to agree all non-essential spend over £1,000, recruitment panel to agree all new recruitment. Given the severity of the financial position and to minimise use of EFS going forward, tighter controls are expected to be put in place from quarter 2 of 2025/26.

The updates MTFS is presented to Cabinet on 15 July and shows that forecast gap across the MTFS period from 2026/27 is at least £121m, of which £34m is for 2026/27. The report includes details of the approach being taken to identify savings and income opportunities to reduce the gap, with a particular focus on 2026/27 and planning is well underway through Budget Series sessions with the Leadership Team during April, May and June 2025. The General Fund Reserve has been retained and protected at £15.4m. The MTFS also includes an annual contribution to replenish reserves from 2026/27 onwards to support the Council's financial sustainability.

The annual review of the capital programme is underway to review all pipeline schemes that have not yet started with a view to reducing the size of the programme and limit any new borrowing from 2026/27.

- Director of Legal & Governance (Monitoring Officer): The Monitoring Officer is not aware of any significant governance issues in relation to member code of conduct and complaints for 2024/25. The work in strengthening the governance concerning acquisitions and disposals, Information Governance and Delivery of the Housing Improvement Plan will be reviewed again during 2025/26. New governance controls in relation to the Council's financial position were introduced in 2024/2025 and will continue into 2025/2026.
- Head of Audit and Risk Management: Internal audit continues to focus on areas of risk in the organisation and on areas where governance improvements are necessary, based on the work of internal and external audit. During 2024/25, the Council is taking steps to improve governance over areas identified as significant governance issues, though for most, full implementation will continue into the next financial year and probably beyond. For the audit work completed, weaknesses in internal controls were identified from the work of internal audit.

Specifically, audits assigned a low level of assurance were: Financial Assessment of Clients, Leisure Services Insourcing (pre-implementation), Governance over Delivery of Savings, Support for Children provider payments process, Accounts Receivable (Sundry Debtors), New Operating Model – Procurement Act 2023, Corporate Performance and Intelligence and Change Projects and Programme Portfolio (Change Portfolio), Management Over Gifts & Hospitality, Management of Staff Performance, Review and Management of Off Contract Spend, and Implementation of Panacea (Procurement source to pay system). The work of internal audit also reported on work that began in 2023/24 but was completed in 2024/25.

- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2024/25. The report concluded that in most areas across the Council, with the exception of those areas receiving 'limited' or 'Nil' assurance are where audit actions had not been completed as planned, there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory. The Annual Report highlighted the root cause of a number of risks identified from audits and the subsequent recommendations; these include management control to direct services, record keeping and data quality, the maintenance of full audit trails, and supervision controls.
- 5.4 Directorate Management Teams have discussed a statement of assurance covering 2024/25 which is informed by work carried out by Corporate Directors; Directors; Heads of Service and Managers; internal audit; any external assessments; and risk management processes. The statements are used to provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. No significant governance issues, apart from those identified at paragraph 4.2 were recorded.
- 5.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) statements on the role of the Chief Financial Officer and the role of the Head of Internal Audit in public service organisations have both been incorporated into the Council's overall governance arrangements. During 2024/25, the Council can confirm that both the Chief Financial Officer and Head of Internal Audit fulfilled all the requirements set out within the CIPFA statements. No gaps in compliance were identified for either role.
- 5.6 The Leader of the Council and the Chief Executive have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.
- 5.7 The evidence provided concerning the production of the Annual Governance Statement has been considered by the Chief Executive and will be considered by the Council's Audit Committee in July 2025. The Statutory Officers concluded that the Council has satisfactory governance systems in place and satisfactory plans to address the identified issues to ensure improvement; these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The Chief Executive along with the other members of the Corporate Leadership Team are committed to implementing the action plan, strengthening, and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

Signed by:



Councillor Peray Ahmet
Leader of the Council
Date: 25 June 2025



Andy Donald
Chief Executive
Date: 24 June 2025

LOCAL CODE OF CORPORATE GOVERNANCE

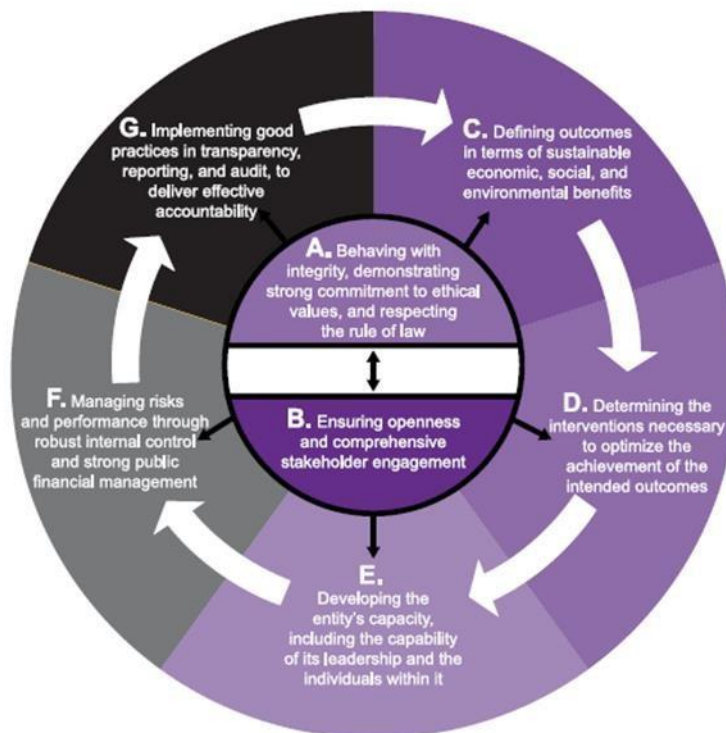
Haringey Council
2024/25

Appendix B

1 Introduction to Delivering Good Governance

- 1.1 The council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. This Local Code of Governance provides a public statement that sets out the way in which the council will meet and demonstrate that commitment. It includes the political arrangements, administrative systems, policies, and processes as well as the culture and values that underpin arrangements for the effective:
- Allocation of resources in accordance with agreed policies and priorities.
 - Sound, transparent, and inclusive decision making.
 - Management of the organisation, performance, and accountability for the use of those resources to achieve desired outcomes for service users and communities.
- 1.2 *Delivering Good Governance in Local Government; Framework*, published by CIPFA, provides guidance on the standards for local authority governance in the UK. This Framework sets out seven core principles of governance as detailed in the diagram below, and illustrates that good governance is dynamic and involves continuous evaluation and review.
- 1.3 Haringey Council has adopted these principles of good governance and adapted its Local Code to reflect its responsibilities. This is demonstrated through the adoption, monitoring, and continued development of this document.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



- 1.4 The council's key governance areas and how it will provide assurance that it is complying with these are set out in more detail within its Governance Assurance Framework.
- 1.5 The council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The council expects Members and officers to uphold the highest standards of ethics, conduct and behaviour, and to act with openness, integrity, and accountability in carrying out their duties.
- 1.6 This Code ensures the council is doing the right things, in the right way. Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed at **Appendix A**.
- 1.7 Similar and proportionate oversight and assurance reporting arrangements should also be put in place in respect of services outsourced to external suppliers, trading partnerships, shared service arrangements and arm's length bodies.

2 Monitoring and review

- 2.1 Regulation 6(1)(a) of the Accounts and Audit regulations 2015 (as amended) require an authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.
- 2.2 As such the council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date and working effectively. The council's Governance Assurance Framework sets out in more detail how the council will seek assurance on its adherence to the adopted principles of governance.
- 2.3 On an annual basis, the Chief Executive and Leader of the Council will publish an Annual Governance Statement which will:
 - Assess how the council has complied with this Code of Corporate Governance.
 - Provide an opinion on the effectiveness of the council's arrangements.
 - Provide details of how continual improvement in the systems of governance will be achieved.

3 Certification

- 3.1 We hereby certify our commitment to this Local Code of Corporate Governance and will ensure that the council continues to review, evaluate, and develop the council's governance arrangements to ensure continuous improvement of the council's systems. The Audit Committee will review the Annual Governance Statement regularly in line with its terms of reference.

Leader of the Council

Chief Executive

Date: xx 2023

Date: xx 2023

4 Governance Structure and Responsibilities

Council	• Consists of 57 elected members • Approves the budget and policy framework. • Approves the constitution (including standing orders and financial regulations) • Establish committees to discharge non-executive functions
Cabinet	• The main decision-making body of the council responsible for executive functions • Leader of the council with responsibility for executive functions and who appoints a deputy leader and cabinet members who have responsibility for portfolios
Audit Committee	• Provides independent assurance to the council on the adequacy and effectiveness of the governance, risk management framework an internal control environment. • Approves the local code of corporate governance, annual statement of accounts and annual governance statement • Considers the external auditor's annual letter, relevant reports and the report to those charged with governance and comments on the scope and depth of external audit work. • Approves the internal audit charter, the risk-based internal audit plan and the approach to sources of assurance. • Considers the Head of Internal Audit's Quarterly and Annual Reports. • Reviews and monitoring treasury management arrangements in accordance with Treasury Management in the Public Services.
Overview and Scrutiny Committees	• There is one Overview and Scrutiny committee, and four scrutiny panels (Adults and Health, Children and Young People, Climate, Community and Culture and Housing, Planning and Development) • Holds cabinet and officers to account and scrutinises performance
Head of Paid Service	• Overall corporate management an operational responsibility for the council (including management for all employees) • The provision of professional advice to all parties in the decision-making process and come and responsibility for a system of record keeping for all the council's decisions, representing the council on partnerships and external bodies. • The Head of Paid Service will determine how the council's functions are discharged, the number and grade officers required to discharge the functions and how officers are organised
Chief Finance Officer (s151)	• Accountable for developing and maintaining the council's governance, risks, and control framework. • Ensuring lawfulness and financial prudence of decision-making and the administration of financial affairs
Monitoring Officer	• Monitoring, reviewing, and maintaining the Constitution and showing lawfulness and fairness of decision-making. • Supporting Standards Committee, conducting investigations, and undertaking other actions in respect of matters referred to him/ her by the Standards Committee • Proper officer for access to information • Advising whether decisions are within the budget and policy framework. • Providing advice on the scope of powers and authority to take decisions, Maladministration, financial impropriety, probity and budget and policy framework issues. • Contributes to all the effective corporate management and governance of the council

Council Team	Leadership	• implement the policy and budgetary framework set by the council and provides advice to cabinet and the council on the development of future policy and budgetary issues. • Oversees the delivery of the council's corporate delivery plan and implementation of council policy

APPENDIX A - Principles, behaviours and actions that demonstrate good governance in practice at Haringey Council

Haringey Council's Local Code is based on the following principles which we are working towards with the overall aim of 'Achieving the intended outcomes while acting in the public interest at all times'

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law	A1 - Behaving with integrity	▪ We will have a Council Member's Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will have an Officer's Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will have strong Haringey commitments and behaviours which underpins everything we do. ▪ We will have an Anti-Fraud and Corruption Strategy in place, including a whistle-blowing and anti-bribery and anti-money laundering policies. ▪ We will ensure staff are aware of the strategy and policies and know how to access them. ▪ We will encourage, support and protect staff to speak up if they encounter wrongdoing. ▪ We will maintain a members' complaints process.
	A2 - Demonstrating strong commitment to ethical values	▪ We will operate a Standards Committee, which champions high standards of ethical governance from ethical Members. ▪ We will provide corporate training and induction programmes to ensure that Members and Officers receive appropriate training to assist them in effectively executing their duties and understand the standards of behaviour expected of them. ▪ We will operate effective and transparent procedures for declaration of interests, gifts and hospitality for Members and Officers. ▪ We will publish Members' declarations on the Council's website - declarations at meetings and Register of Interests can be found under each Councillor on the 'Your Councillors' page.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		▪ We will operate procurement policies to ensure that commitment to our social values and integrity is delivered by external suppliers delivering services on our behalf and ensure that we follow compliance with legislation, realise value for money and public accountability. ▪ We will encourage the public to easily raise concerns about Member and Officer behaviour.
	A3 - Respecting the rule of law	▪ We will appoint a Monitoring Officer (Assistant Director for Legal & Governance) who will be a member of the Council Leadership Team (CLT) and ensures that decisions are taken in a lawful and fair way, ensures procedures are followed and that all applicable statutes and regulations are complied with. ▪ We will put in place measures to address breaches of our legal and regulatory powers. The Council's Monitoring Officer (the Assistant Director for Legal & Governance) has statutory reporting duties in respect of unlawful decision making and maladministration. Similarly, the Chief Finance Officer (the Director of Finance) has statutory reporting duties in respect of unlawful and financially imprudent decision making. ▪ We will appoint Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles. These include: ○ Head of Paid Service (Chief Executive) ○ Monitoring Officer (the Assistant Director for Legal & Governance) ○ Chief Finance Officer (Director of Finance) ▪ We will support all Council and Cabinet meetings by attendance of relevant statutory officers to ensure law and regulations are not breached. ▪ We will make sure that all decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
B. Ensuring openness and comprehensive stakeholder engagement	B1 - Openness	▪ We will ensure that decisions taken by Council (the meeting attended by all Councillors), as well as those taken by Committees or by the Executive are recorded on our website, alongside the reasons and the evidence considered. ▪ We will publish notification online of the intention to take the most significant executive decisions in our Forward Plan. ▪ We will allow attendance at the majority of decision making meetings and provide recordings of these. ▪ We will allow the use of social media and filming at public meetings. ▪ We will have a Scheme of Delegation to provide a clear transparent, effective, and accountable decision-making process. ▪ We will have in place a Member's Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will have an Officer Code of Conduct, which sets out clear expectations and is built on the Seven Principles of Public Life. ▪ We will consult and engage to inform the best interventions or courses of action. ▪ We will maintain arrangements for responding to complaints and Members' Enquiries.
	B2 - Engaging comprehensively with institutional stakeholders	▪ We will develop and maintain relationships with leaders of other organisations across the private, public and voluntary sector contributing to the vision for Haringey and the Corporate Delivery Plan. ▪ We will maintain a register of our significant partnerships to assess the level of assurance for the governance arrangements of each partnership and highlight areas where improvements may be required to further strengthen these arrangements. ▪ We will have effective monitoring of the performance and outcomes delivered through the companies, Joint Ventures and charities which the Council is a party to.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
	B3 - Engaging with individual citizens and service users effectively	▪ We will use appropriate methods to engage and consult to ensure the reach is as broad and inclusive as possible, including but not limited to community engagement, formal consultation, and working with residents and service users to design services that best meet their needs. ▪ We will actively seek our residents' engagement and input at the before proposal stage in our work and reshaping of service, the Haringey Deal. ▪ We will work with Voluntary, Community and Social Enterprise (VCSE) organisations to assist in effective engagement with Haringey's diverse communities within neighbourhoods and communities of identity groups. ▪ Maintain effective channels for dialogue and debate with residents, including via different social media platforms. ▪ Maintain effective complaints and compliments handling and monitoring procedures, so that we can identify where improvements in service delivery are needed and learn effectively from the complaints that we have received including feedback from the Ombudsman. ▪ Maintain effective Members Enquiries process.
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits	C1 - Defining outcomes	▪ We will maintain a current Corporate Delivery Plan which sets out the priorities which the Council will focus on to play its part in delivering the vision for the borough. ▪ We will ensure that outcomes are focused on achieving delivery of the overall vision for the Haringey Council. ▪ We will engage and consult with residents, partners and other key stakeholders when designing key strategies and the Corporate Delivery Plan. ▪ We will put the Corporate Delivery Plan priorities at the heart of our budget, business planning, and service planning processes. ▪ We will maintain and review a capital programme setting out the Council's longer term investment requirements linked to policy objectives.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		▪ We will commit to service managers, ensuring that Service Plans are clearly communicated to all staff, so that they understand the role that they will play in delivering the Corporate Plan priorities. ▪ We will consult with the businesses and residents of Haringey in the design of our budget proposals to understand their priorities, and to be transparent about financial limitations. ▪ We will develop a Medium-Term Financial Strategy which sets out financial assumptions and provides a set of goals for financial decision making for the planning period ahead.
	C2 - Sustainable economic, social, and environmental benefits	▪ We will consider the full combined economic, social and environmental implications of our decisions through, for example, data analysis and consultation with affected parties so that our decisions advance the achievement of the Council's vision. ▪ We will set out the impact a decision will have on the Corporate Delivery Plan outcomes and include both an Equality Impact Assessment and an impact analysis of the project, policy or programme on carbon emissions reduction and adapt to climate change in any reports which recommend a decision. ▪ We will maintain up to date plans to address climate change and provide regular online progress updates on delivery. This includes progress towards becoming a Net Zero Carbon Borough by 2041 and Net Zero Carbon Council by 2027. ▪ We will provide political leadership on our equality, diversity, and inclusion (EDI) priorities at Lead Member level, and senior officer leadership (CLT) level. ▪ We will ensure that services are clear about their role in meeting the Public Sector Equality Duty (S149 of the Equality Act 2010). ▪ We will commit to progressing EDI for our workforce, informed by our Employee Network Groups and the represented Trade Unions.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		▪ We will strive to enact plans and strategies by engaging with our stakeholders to boost productivity in the borough, reduce poverty and create an economy that is inclusive and benefits everyone. ▪ We will have a set of social value priorities and an approach for promoting social value, particularly through our procurement. We will continually look to refine and update our approach, introducing innovations where possible.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	D1 - Determining interventions	▪ We will provide decision makers with accurate, relevant and timely performance information and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery. ▪ We will ensure any cabinet reports, where a decision is required to be taken, have legal, finance and procurement comments provided, thus ensuring that relevant implications have been considered. ▪ We will seek to continuously enhance the insights made available to decision makers, for example by delivering improvement programmes focusing on key areas such as Property and Housing. ▪ We will seek continuous feedback from residents and those who use our services both in planning service changes and improvements, for example through surveys, consultations or bespoke feedback gathering. ▪ We will have effective delegation of decision making to officers so that they can deal with the day-to-day running of services without the need to constantly refer matters back to elected Members. Details of what decisions are taken in this way are included in the Scheme of Delegation in the Council's Constitution.
	D2 - Planning interventions	▪ We will plan our activity at a strategic level through our budget and business planning cycle, in consultation with internal and external stakeholders, to ensure services delivered across

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		different parts of the organisations and partners complement each other and avoid duplication. ▪ We will have consistent and effective service planning, with each service completing an individual service plan. Services will ensure that their priorities and activities set out in their service plan all contribute towards delivery of our Corporate Delivery Plan, and that there is also a focus on continuous improvement. ▪ We will consider risks in all of our strategic planning and mitigate and monitor these risks. ▪ We will have in place appropriate key performance indicators (KPIs) and review these quarterly to measure quality and progress. ▪ We will have in place a Business Continuity framework to ensure the resilience of the organisation to any eventuality and to help ensure continuity of service to our key customers.
	D3 - Optimising achievement of intended outcomes	▪ We will integrate and balance our service priorities, affordability, and other resource constraints, considering the full cost of operations over the medium and longer term, including both revenue and capital spend budgets. This includes producing a medium-term financial plan. ▪ Develop and maintain a programme and project function to deliver identified savings. ▪ We will take an integrated approach to the deployment of revenue and capital spend, aligned to delivery of the Council priorities. ▪ We will look to achieve social value through all procurement and consider this at pre-tender and tender stage to ensure that appropriate desirable outcomes can be offered by suppliers in their tender

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	E1 - Developing the entity's capacity	▪ We will have a Workforce Development Plan in place which support staff to develop the skills and behaviours to enable us to effectively deliver against our Corporate Delivery Plan, and to continue to transform our culture. ▪ We will enact our Equality, Diversity and Inclusion (EDI) Action Plan, which aim to create a more inclusive Council, where our workforce fully reflects the rich diversity and talent of the communities we serve at all levels. ▪ We will deliver change programmes which will continue to reshape how services are delivered internally and externally, using new technologies, ways of working and new delivery models. ▪ We will implement a quarterly review of progress against the capital programme and change programme ▪ We will manage our assets well and will have an Asset Management Plan in place. ▪ We will review and report on medium-term financial plan regularly to monitor resources against priorities and services. ▪ We will review operations, performance and use of assets on a regular basis. ▪ We will work closely with partners and the community to provide best outcomes for residents and the borough.
	E2 - Developing the capability of the entity's leadership and other individuals	▪ We will have a clear Protocol on Member / Officer Relations, ▪ We will have a clear Protocol on Decision Making. ▪ We will provide newly elected Council Members with an induction into the work of the Council and their role as a local member. ▪ We will provide ongoing elected Member development and training, including briefings by officers into any new developments which affect their role.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes: ▪ We will ensure that all staff have regular one to ones with their manager, known as “My Conversation” sessions. These will include discussions on: ○ performance objectives and development goals ○ training and development needs ○ health and wellbeing. ▪ We will listen to the views of our staff through regular events, forums and surveys and use the learnings to inform and improve the way that we prioritise, operate, and communicate. ▪ We will run events which give all staff the opportunity to connect with priorities, and engage with the senior leadership, for example in question-and-answer sessions. ▪ We will ensure that all managers are aware of, understand and are following key corporate people management policies and processes. ▪ We will support the physical, mental, social, and financial wellbeing of our workforce. This includes having a Workforce Wellbeing Strategy and provide support and guidance on the Intranet, a 24/7 Employee Assistance Programme for staff and their families.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
F. Managing risks and performance through robust internal control and strong public financial management	F1 - Managing risk	▪ We will have a Risk Management Strategy in place, and operate a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations ▪ We will keep corporate and directorate level risk registers to managed and monitor risk. ▪ We will have clear policies in place to help manage risk, in different areas, e.g. Health and Safety, Safeguarding, Anti-Corruption. ▪ Ensure that staff are regularly trained to ensure that they manage risk effectively using appropriate methodologies, including the management of safeguarding risks in line with professional standards. ▪ We will consider emerging pieces of legislation and policy changes to understand and prepare for their potential impact. ▪ We will maintain Overview and Scrutiny Committees, which hold decision makers to account and play a key role in ensuring that public services are delivered in the way that residents want. ▪ We will ensure that where appropriate officers know how to engage with and support the Overview and Scrutiny Committee.
	F2 - Managing performance	▪ We will ensure that services use timely and accurate performance information and insight about service delivery, to support intervention to address any barriers to good performance. ▪ We will provide CLT with concise, clear, and integrated finance and performance reports to support effective resources allocation, and to shine a light on any challenges so that they can be addressed.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
	F3 - Robust internal control	▪ We will maintain Overview and Scrutiny Committees, which hold decision makers to account and play a key role in ensuring that public services are delivered in the way that residents want. ▪ We will ensure that where appropriate officers know how to engage with and support the Overview and Scrutiny Committee and provide training for Committee members. ▪ Maintain a risk based programme of internal audits which are informed by the Council's risk registers. ▪ We will maintain an effective internal audit and ensure it's compliance with the Public Sector Internal Audit Standards. ▪ We will maintain an effective counter fraud service and report the outcome of its work to the Audit Committee. ▪ The Head of Audit and Risk will present a summary of all audit work annually to the Audit Committee highlighting analysis of audit work. ▪ We will ensure the Audit Committee receives an annual update on the Council's governance arrangements.
	F4 - Managing data	▪ We will comply with data protection legislation, and ensure that data processing is carried out fairly, lawfully, and transparently. ▪ We will review and supplement our information governance policies, and keep our Record of Processing Activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner's Office (ICO). ▪ We will ensure that all valid requests from individuals to exercise the right to make a request to find out what personal data we hold on them are dealt with as quickly as possible, and by no later than the timescales allowed in the legislation.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		▪ We will ensure that it is clear to all staff and Members that they are personally accountable for using the Council's information responsibly and appropriately. ▪ We will ensure that staff and Members are appropriately trained in protecting information. ▪ We will maintain our systems for data management across the organisation.
	F5 - Strong public financial Management	▪ We will approach Financial Management in a way which ensures that public money is safeguarded at all times, ensuring value for money. Our approach supports both long-term achievement of objectives, and shorter term financial and operational performance. This is outlined in the Council's Medium Term Financial Strategy. ▪ We will, via Financial Regulations and through the leadership of the Director of Finance, ensure that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The Director of Finance ensures well developed financial management is integrated at all levels of planning and control including management of financial risks, systems, and processes. ▪ We will comply with the Financial Management Code (FM Code) which sets out the standards of financial management expected for local authorities and is designed to support good practice, and to assist local authorities in demonstrating their financial sustainability. As part of this we will carry out credible and transparent financial resilience assessments. ▪ We will ensure that the Director of Finance reports to Council on the robustness of the estimates made for the purposes of the budget calculations, and the adequacy of the proposed financial reserves. ▪ We will follow CIPFA's Prudential Code and Treasury Management Code of Practice which set out the risk framework through which the Council manages its balance sheet and makes capital investment decisions.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
		▪ We will maintain strategies and processes detailing our approach to decision making on capital investments, and treasury management (including debt management and cash investing). ▪ We will maintain sound financial procedure rules to ensure consistency and clear financial protocols ▪ We will ensure effective anti-fraud and corruption arrangements ▪ We will ensure external auditors produce annual audit reports and the annual audit letter and report to the Audit Committee ▪ We will ensure effective information governance arrangements are in place to support compliance with existing and emerging legislation for data protection
G. Implementing good practices in transparency, reporting, and audit to deliver	G1 - Implementing good practice in transparency	▪ We will publish information, including reports, in a manner which is accessible to residents and other stakeholders. ▪ We will make our website set out in a clear and easily accessible way, using infographics and plain language. ▪ We will follow the Local Government Transparency Code, which includes requirements and recommendations for local authorities to publish certain types of data.

Principles	Sub-principles	
Acting in the public interest requires a commitment to and effective arrangements for:		Haringey's commitment to achieving good governance in practice includes:
effective accountability	G2 - Implementing good practices in reporting	▪ We will make reports publicly available online, which shows the Council's progress towards its vision and priorities as set out in the Corporate Delivery Plan. ▪ We will provide integrated finance and performance monitoring information to CLT. This will enable monitoring of delivery of our Corporate Delivery Plan priorities, support effective resource allocation, and help to identify any challenges so that they can be addressed.
	G3 - Assurance and effective accountability	▪ We welcome peer challenge, internal and external review and audit, and inspections from regulatory bodies, considering arising recommendations. ▪ We will monitor the implementation of internal and external audit recommendations. Assurance reports will be presented to the Audit Committee and the Council's external auditors, summarising the Council's performance in implementing recommendations effectively and within agreed timescales. ▪ We will follow the Public Sector Internal Audit Standards (PSIAS), which includes a commitment to develop audit plans which are designed to invite comment from management and the Audit Committee.

Report for: Audit Committee 22 July 2025

Item number: 10

Title: Annual Internal Audit Report 2024/25

Report authorised by: Taryn Eves – Director of Finance

Lead Officer: Minesh Jani – Head of Audit & Risk Management
Minesh.Jani@Haringey.gov.uk
0208 489 5973

Ward(s) affected: N/a

**Report for Key/
Non-Key Decision:** N/a

1. Describe the issue under consideration

To inform Members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2024/25 and present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies.

This report also fulfils the relevant statutory requirements of the 2017 UK Public Sector Internal audit Standards (PSIAS); the 2017 Local Government Transparency Code; and the Audit Committee's terms of reference.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

That the Audit Committee notes the content of the Head of Audit and Risk Management's annual audit report and assurance statement for 2024/25 and the accompanying appendices.

4. Reasons for decision

The Audit Committee is responsible for reviewing the Annual Internal Audit Report as part of its terms of reference.

In order to facilitate this, reports are provided on a quarterly basis to the Audit Committee on the work undertaken by the Internal Audit Service in completing the 2024/25 annual audit plan, together with reports on the responsive and pro-active fraud investigation work undertaken during the year.

The report also supports the production of the Council's statutory Annual Governance Statement.

5. Alternative options considered

Not Applicable.

6. Background information

The purpose of the Annual Internal Audit report is to provide assurances based on the annual activity of internal audit for the financial year 2024/25.

In addition, the mandatory PSIAS state:

- The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
- The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- The annual report must incorporate:
 - the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.

The 2015 Local Government Transparency Code requires the Council to publish information annually in respect of its counter-fraud activities and the resources used to undertake this.

The information in this report has been compiled from information held within Audit & Risk Management and from records held by Mazars Public Sector Internal Audit Ltd (Mazars), the contracted provider of internal audit services to the Council and relates to the work carried in the financial year 2024/25.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes'?

The internal audit and counter-fraud teams make a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all Corporate Plan Priority areas.

8. Carbon and Climate Change

There are no direct Carbon implications arising from this report.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

There are no direct financial implications arising from this report. The work completed by Mazars is part of the framework contract which was awarded to the London Borough of Croydon and extended to 31 March 2026, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

Procurement

There are no direct contract and/or procurement implications arising from this report.

Director of Legal & Governance

The Head of Legal Services has been consulted in the preparation of this report, and in noting that the level of audit coverage complies with the mandatory PSIAS industry required standards, the opinion expressed by the Head of Audit & Risk Management and that measures have been put in place to deal with instances where assurance levels are an issue, has no comments.

Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies as a result of this report. However, ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

10. Use of Appendices

Appendix A – Annual Internal Audit Report 2024/25 including Head of Audit Opinion

Appendix B – Internal Audit Outcomes 2024/25 – Mazars

Appendix C – Schools Audit Outcomes 2024/25 - Mazars

Appendix D – Anti Fraud Outcomes 2024/25

Appendix E – Quality Assurance and Improvement Plan

Appendix F – Significant issues arising in Quarter 4 of 2024/25

11. Background papers

Not applicable

APPENDIX A - Annual Internal Audit Report 2024/25 (Including Head of Internal Audit Opinion)

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Appendix B - Outcomes from Systems Audits and Follow Ups 2024/25
Appendix C – Outcomes from Schools Audits and Follow Up 2024/25
Appendix D - Anti-Fraud work 2024/25
Appendix E – Quality Assurance and Improvement Plan
Appendix F - Significant issues arising in Quarter 4



Introduction

1. Role of Internal Audit

- 1.1 The requirement for an internal audit function is detailed within the Accounts and Audit (England) Regulations (amended) 2015, which states that a relevant body must: *'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'*
- 1.2 The regime for delivering effective internal audit within local authorities is set out in the mandatory UK Public Sector Internal Audit Standards (PSIAS). The standards are based on the mandatory elements of the International Professional Practices Framework (IPPF) of the Global Institute of Internal Auditors (IIA) and are intended to promote professionalism, quality, consistency and effectiveness of internal audit across the public sector. A requirement of the standards is for the Head of Internal Audit to provide an annual opinion, which is based upon the internal audit work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control. This report sets out the Head of Audit's opinion, by considering the work carried out by internal audit and the anti-fraud team, seeking assurances on the work of other agencies, recognising the risk management systems and the other assurance providers within the Council. For 2024/25, the internal audit plan was agreed with management and endorsed by the Audit Committee at the start of the financial year at its meeting in March 2024. It is noteworthy the internal audit plan provides a reasonable level of assurance over the system and internal controls operating in the Council and the level of assurance should not be regarded as absolute.
- 1.3 Under the PSIAS, internal audit is required to have an External Quality Assessment (EQA) at least once every five years. This is to provide independent assurance over the operation of the audit function. Haringey's audit was externally assessed in April 2022 which confirmed that the Council's Audit Service **Fully Complied** with the required standards. The EQA considered annual self-assessments undertaken and the service's Quality Assurance and Improvement Plan (QAIP). A full report was presented to the Corporate Committee regarding the EQA and compliance with PSIAS as that is a requirement of the standards in July 2022. The Audit Committee was advised on the new Public Sector Internal Audit Standards in January 2025, and that the new standards will apply from the start of 1 April 2025. Key element of the delivery of internal audit will need to be refreshed, in particular, the internal audit strategy and charter to ensure compliance with the new standards.
- 1.4 Internal Audit, excluding the investigation of allegations of fraud and corruption and some other special review or investigations, is provided by Forvis Mazars LLP (Mazars) as part of the framework contract awarded to the London Borough of Croydon. The contract was retendered in 2017 and ran to 2024 with a further option to extend for 2 years. A two year extension has been applied and the contract extension will apply to March 2026. Mazars carried out their own independent external assessment in 2024 to confirm the robustness of their

methodology and compliance with standards and planning to carry out an assessment this year and the outcome was that they were **Fully Compliant**.

2. Internal Audit Approach

- 2.1 To assist the Council in meeting the relevant audit standards and achieving its objectives, internal audit provides a combination of assurance and advisory activities. Assurance work involves assessing how well the systems and processes are designed and working; advisory activities are available to help improve systems and processes where required.
- 2.2 A full range of internal audit services has been provided during the year and has been considered when forming the annual opinion. The approach to each audit review is determined by the Head of Audit and Risk Management, in discussion with Mazars and service management and will depend on; the level of assurance required; the significance of the area under review; and risks identified.
- 2.3 A report is issued for every assurance project in the annual audit plan, which provides an overall audit opinion according to the level of risk of the findings. In addition, each recommendation is given a priority rating, to assist service management in prioritising their work to address agreed recommendations. The overall classification relates to the findings at the time of the audit work. Internal Audit undertake formal follow up work to ensure recommendations are implemented. The work completed by in house resources in the Audit and Risk Service is detailed in this document. The work completed by Mazars is detailed at Appendices B, C and F.
- 2.4 The internal audit approach and strategy has been to have an open and honest conversation with management to fully understand the residual risks within their services. Management have sought audit input where the service is aware of issues. This has translated into more areas being assigned a lower level of assurance and the engagement with internal audit is seen as a catalyst for improvement. This approach began a few years ago and has continued throughout 2024/25.
- 2.5 The approach adopted in using the internal audit service to provide independent assurance of systems and processes in areas where risks need better management is supported by the organisation including the Audit Committee. The work of internal audit captures the following key areas:
 - **Risk Assessment:** Identifying and assessing risks across various processes and functions to enhance risk management strategies;
 - **Ensuring Compliance:** Ensuring adherence to laws, regulations, and internal policies;
 - **Operational Efficiency:** Evaluating operational processes to improve efficiency, effectiveness, and economy. As envisaged, this area has become increasingly important with the continued financial challenges;
 - **Internal Financial Controls:** Verifying financial records, transactions, and controls for accuracy and reliability; and

- **Process Improvement:** Recommending enhancements to processes, controls, and governance.
- 2.6 The Internal Audit Charter endorsed by the Audit Committee in March 2024 states the following in respect of the Public Sector Internal Audit Standard's mandatory definition of internal auditing:
- *'Internal auditing is an independent, objective assurance and consulting (advisory) activity designed to add value and improve an organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'*
- 2.7 Moreover, the mandatory elements of the International Professional Practices Framework (IPPF) for Internal Audit are incorporated into the PSIAS and include an overarching 'Mission' for Internal Audit services *'...to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'*.

Executive Summary

3. Internal Audit Opinion

- 3.1 The Head of Audit and Risk Management is responsible for delivering an annual audit opinion and report that can be used by the Council to help inform its statutory Annual Governance Statement. The annual audit opinion provides a conclusion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 3.2 Internal audit work was carried out using a risk-based approach and included reviews of those systems, projects, and establishments to discharge the Chief Financial Officer's responsibilities under s151 of the Local Government Act 1972; the 2017 UK Public Sector Internal Audit Standards; and the 2015 Accounts and Audit (England) Regulations.
- 3.3 In providing the annual audit opinion, reasonable but not absolute assurance can be provided that there are no fundamental weaknesses in the overarching processes reviewed. In assessing the level of assurance given, I have taken account of:
- Reports on all internal audit work completed, including any advisory work, control failure investigations and briefings to management;
 - Results of follow up exercises undertaken;
 - Any reviews completed by external review bodies;
 - Risk Management workshops undertaken to support management to better manage either existing or emerging risk areas;
 - The resources available to deliver the internal audit plan; and
 - Compliance with 2017 UK PSIAS.

- 3.4 I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the Council's internal control environment.
- 3.5 I have considered the work completed by both Mazars and the in-house team, including that of the anti-fraud investigation team for 2024/25. This includes reviews of internal audit reports, fraud investigations and briefings to management. In my opinion, with the exception of those areas where 'limited' or 'nil' assurance reports have been issued, the controls in place in those areas reviewed are adequate and effective. It is noted that areas of concern noted in prior years have not yet been fully addressed, however on-going work ensures that these remain in the focus of Senior Management and Members.
- 3.6 Where weaknesses in controls have been identified, internal audit has worked with management to agree appropriate actions and timescales to improve controls. Internal Audit undertake follow up reviews or further audit work to confirm their implementation.
- 3.7 For 2024/25, I have also considered the Council's assessment by external agencies such as Ofsted, the Housing Ombudsman etc. I have worked closely with Senior Officers to monitor these corporate workstreams throughout the year and have taken assurance from the outcomes of this work to inform the opinion.
- 3.8 It is my opinion that overall internal audit can provide **Adequate Assurance** that the system of internal control that has been in place at the Council for the year ended 31st March 2025 and accords with proper practice, except for the significant internal control issues referred to in this report. This means that there is generally a sound control framework in place, but there are some specific gaps in the control framework which need to be addressed. I recognise the proportion of internal audits assigned a lower level of assurance outnumber those assigned satisfactory assurance, but as set out above, a number of audits assigned a lower level of assurance were performed where management sought audit input to act a change agent or seek assurance over actions taken. In my conversations with Corporate Directors and Directors, the conversations are led by the areas of risks where management have concerns or seek assurances over the arrangements in place. I have discussed this approach with the Chair of the Audit Committee and the Audit Committee who also believe audit resources should be focused on areas where risks are high. Inevitably, this will lead to higher proportion of audits being assigned a lower level of assurance.
- 3.9 Outcomes of the 2024/25 audit plan contained within this report indicate that areas where assurances were not adequate are set out below.
- 3.10 Contracts and Procurement has been an area of concern since 2020/21 and I, along with the Corporate Director of Finance and Resources and the Audit Committee continue to monitor the progress to address control weaknesses. Both the Chief Procurement Officer and the Director of Finance and Resources have presented the Audit Committee with updates throughout the year.

- 3.11 Another area of work is in respect of Property Services where in 2021/22 “Limited” assurance opinions and management concerns were highlighted. The fundamental internal controls have yet to be established in some areas though through follow up and recent audits, the service is taking steps to respond to the fundamental issues. I will monitor and formally follow up the progress to address control weaknesses in this area in 2024/25 including new audits as appropriate.
- 3.12 A number of internal audits in respect of operational activities in housing have been assigned “Limited assurance” such as Damp and Mould, Tenancy Management, Homeownership team and Service Connects. These are known areas of risk that the service is going to implement the audit recommendations. Since the in-sourcing of the majority of the housing function from Homes for Haringey into the Council, I have reported a number of key areas of the Housing service need to strengthen their internal control environment and the Director of Housing attended the Audit Committee in October 2024 to set out the steps he was taking over the next year or so.
- 3.13 A new area that where the work of internal audit has highlighted weak internal controls is in respect of the financial controls with Adult services. Over the last couple of years, internal audit has reviewed the Brokerage function, Assessment of Client contribution and the use of the Dynamic Purchasing System to procure social care for clients. All have been assigned a low level of assurance.
- 3.14 As I reported previously, analysis of recommendations raised in service focus reviews shows that a significant proportion of recommendations raised relate to organisation controls around management control to direct services, record keeping and the maintenance of full audit trails, supervision and management information and the need to ensure strategies, policies and procedures are up to date. In addition, the decentralised operations of some corporate systems such as procurement reduce the oversight and compliance of internal controls in the area, though this has changed from March 2025. My expectation that having identified issues following an audit, the recommendations are implemented promptly. I continue to see some stain in how quickly recommendations are implemented and will monitor and report on progress.
- 3.15 As part of producing this annual report, the recommendations falling due in year were followed up and results were adequate. Our Quality Assurance Improvement Plan (QAIP) in 2024/25 had actions to improve our follow up regime, though this has improved, there is more that needs to be done, particularly technologically to create a common register of recommendations that everyone can use. The Deputy Head of Audit and Risk has been tasked with leading on this for the organisation.
- 3.16 Analysis of recommendations not implemented shows that in most recommendations not implemented relate to specific audit areas. The implementation of recommendations will remain an area of focus in 2025/26. The results of follow up activity completed by both in house and Mazars resources are summarised at section 6 of this report. A higher level of rigour is necessary to help close known risks quickly and improve governance in the management of Council operations, though I understand some issues will be deep rooted and need longer to implement.

3.17 In respect of the Council's governance arrangements, actions to enhance its governance framework is outlined within the 2024/25 Annual Governance Statement. Key areas of improvements are: -

- the need to ensure the Council delivers savings identified in the Medium Term Financial Strategy (MTFS) to manage within its financial means;
- the need to continue to embed the planned improvements across strategic and operational asset management which include fully embedding robust management of our operational and commercial properties;
- recognise that following the authority's self-referral to the Housing Regulator, to continue with the Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in management systems;
- to note that due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman, the authority needs to continue to strengthen its information governance arrangements;
- the range of skills and experience required to fulfil Council duties has become increasingly challenging over time, particularly within some professions and the Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money;
- the Council recognises weaknesses with regards procurement and contract management arrangements in recent years, some incidences of suspected fraud in 2023/24 and there have been new regulatory requirements applied from 2025.

3.18 Previously, I have reported the proportion of audits assigned a lower level of assurance was high (excluding schools). There were a number of reasons for this; known areas of weakness in the areas being reaudited, such as procurement, property, housing and adult service. This ethos of openness has continued into the audits performed in 2024/25. The proportion of audits assigned a lower level of assurance is similar to in 2024/25 in comparison to the previous year. I am pleased to note the significant increase in the number of audits assigned the highest level of assurance, from two in 2023/24 to six in 2024/25. A summary of outcomes for 2024/25 is as follows:

- Six areas were assigned "Substantial" assurance and 14 audits assigned "Adequate" assurance. A further three areas were advisory audits;
- One area was assigned "Nil" assurance and 13 audits "Limited" assurance. There were a further nine areas assigned Limited assurance for audits completed in 2024/25 that began in 2023/24; and
- There are six audits where the audit work has been completed and the findings will be reported in Sept 2024.

3.19 For the financial year 2024/25, a total of 205 recommendations were raised. This is proportionately the same number of audit recommendations as we completed sixteen more audits than the previous year. The priority of the recommendations raised is as follows:

- Priority 1 recommendation – 28
- Priority 2 recommendations – 104
- Priority 3 recommendations – 73

3.20 In terms of follow ups, the status of recommendations raised in each financial year is set out in the table below:

Financial Year	Recommendations not Implemented/ Total raised	Priority of Recommendations not Implemented		
		Priority 1	Priority 2	Priority 3
2020/21	11/79	4	7	0
2021/22	14/164	3	10	1
2022/23	25/209	5	15	5
2023/24	31/116	7	19	5

3.21 Further details over the status of follow up, assurances and priority of recommendations is provided at section 6 below.

3.22 I reported last year that the control environment in Haringey's schools had improved. No school in recent years has been assigned a "Nil" assurance, though this trend has deteriorated into the financial year 2024/25. A programme of follow ups was completed in 2024/25 by Mazars and outcomes are generally satisfactory though I reported to the Schools Forum that more needs to be done to ensure priority 1 recommendations are implemented in a timely manner. I continue to work closely with other back-office teams supporting schools, the HEP and in conjunction with the School's Forum and Children's Services to assist schools with robust control and risk management. Appendix C provides a summary relating to the school's audit plan, information has also been provided to Senior Management and the School's Forum. A summary of the outcome from schools audits is as follows: -

- Five out of twelve schools completed received 'Adequate' or above assurance rating;
- No schools received a 'nil' rating;
- Seven schools received 'Limited' Assurance;
- One school received an improved Assurance from the last audit;
- For four schools, there was a reduction in assurance from the last audit; these schools received a limited assurance; and
- The number of Priority 1 recommendations has increased considerably from last year, from three to ten.

3.23 Common themes arising from the audit of schools continue to include:

- Governors not providing evidence of their DBS certificate, particularly where the previous certificate requires an update;

- Contracts have been rolled over for a number of years and spend on them exceeds the thresholds for going out to tender; and
- An Information Asset Register which outlined the data collected and utilised by the schools were not maintained, in line with the guidance issued by the Information Commissioner Office.

3.24 For the financial year 2024/25, a total of 129 recommendations were raised. This is an increase from last year where 97 recommendations were raised. The priority of the recommendations raised is as follows:

- Priority 1 recommendation – 10
- Priority 2 recommendations – 28
- Priority 3 recommendations – 71

3.25 There is a noticeable increase in the number of priority 1 recommendations in comparison to the previous year where in 2023/24, three priority 1 recommendations were raised.

3.26 As in other years, most recommendations made relate to Procurement (26%). This is a decrease percentage from last year; School Governance (29%, increase year on year), Financial Planning and Monitoring (8%) reduced from last year.

4. Internal Audit Coverage and Output

4.1 The 2024/25 audit plan was informed by internal audit's own assessment of the Council's key risk areas and discussions with senior management to ensure that audit resources were aligned to agreed areas of risk. A small contingency was considered in the audit plan to ensure any emerging risks during the year could be adequately reviewed.

4.2 The approved plan for 2024/25 included 57 audit projects and 12 school's audits, which was approved by the Audit Committee on 7 March 2024. Table 1 below provides changes made to the plan, and details of audits not undertaken and new audits added to the plan in year. During the last financial year, the Audit Committee requested audits be added to the plan and expressed views more generally around key areas of risk and these suggestions are captured in the table below. Overall, a total of 44 assignments were completed to inform the Head of Internal Audit opinion. The outcome of the work, completed by Mazars, and the definitions of assurance levels are detailed in Appendix B.

Internal Audit Plan– Summary of Outcomes

- 4.3 When the 2024/25 plan was formulated it was recognised that the audit plan needed to be flexible to deal with changes in risks and assurance needs during the year. The decision to change a planned audit is taken by the Head of Internal Audit in consultation with key stakeholders. Changes to the plan have been reported to Members in year and Table 1 below contains details of all changes to the plan and Table 2 provides a summary of the changes. The table is presented in the same format as the original plan.

Table 1 – Changes to Plan

Audit Area / Title	Status
Corporate/Cross Cutting Risk Audits	
Governance over Delivery of Savings (x2)	There was a recognition that the savings were not being delivered as planned and assurances were obtained from the work of the Finance team and the previous internal audits.
Children’s Services	
Admissions Process	Other priorities were identified and this audit deferred.
Youth Offending	This area had been subject to a recent audit and assigned a “Adequate Assurance”. There was no need for additional assurance from this audit.
Rokesley Infants	This audit was postponed.
St Peter in Chains RC Infant	This audit was postponed.
Adults, Health and Communities	
Management of Waiting List	A task force was employed by the service to respond to a waiting list with a view to reduce the number awaiting an assessment from the service.
Culture, Strategy and Engagement	
Performance and Project Management Governance Framework	The service was transitioning to Digital Services and there were plans to change the service provision. It was agreed to review this area after the changes were made.

Audit Area / Title	Status
Arrangements over Organisational Transformation	This audit was deferred to 2024/25 after changes operating model was changed to increase the pace of change.
Digital Transformation Project	This audit was also deferred to 2024/25 after changes operating model was changed to increase the pace of change.
Environment and Resident Experience	
No Change	
Placemaking and Housing	
Management of Garages	This a known area of risk and the service had not been implementing planned changes during the year.
Processes to let a property (from empty to relet) incl allocation and letting	A new audit of Lettings reviewed this area.
Follow up of Delivery of the Housing Improvement Plan	There was an independent review carried out and a separate internal audit was required.
Partnering Contract	The contract letting process had been delayed and the audit was moved into the 2024/25 financial year.
Implementation of the Corporate Property Model (Incl recommendations from Independent review)	The service presented to the audit committee on its current status to provide assurance.
Management of Community Assets	This audit was deferred.
Follow up of Commercial Property	The service presented to the audit committee on its current status to provide assurance.
Corporate IT Audits	
Review of the Outline Business Case for SAP Replacement	The project had not processed to business case and the audit was deferred to the following year.
Follow Up on Prior Years Recommendations	This was carried out in-house.
Source 2 Pay Implementation Review	The project had not processed to business case and the audit was deferred to the following year. The Audit Committee was appraised of the issues by the Chief Procurement Officer.

Audit Area / Title	Status
Contract and Procurement Audit	
Contract Management	The anticipated progress in improving contract management in the organisation had not been possible due to systems issues and the audit deferred.
Control and Monitoring of Purchasing Cycle	The new source to pay system's implementation has been deferred.
New Source to Pay Application Review	The new source to pay system's implementation has been deferred.
Contract and Procurement Audit	
Management of Budgets	This audit was completed in the previous year and moved from 2024/25.

Table 2 – Summary of changes to the audit plan.

Plan / Change	Number
Number of audit projects as per the original plan (+)	57
Number of planned schools Audits (+)	14
Total number of assignments (=)	81
Projects added to the plan in year (+)	5
Projects deferred / cancelled (-)	23
Total number of assignments (=)	53
of which Audit Assignments (incl Follow Up)	36
Advisory	5
Schools	12
Number completed by Mazars (see app B)	
of which Audit assignments totalled	32
Schools totalled	12
Advisory totalled	3
Audits completed and to be reported in 2025/26	6

- 4.4 Most of the audit work was geared towards providing assurance to management on the adequacy and effectiveness of the Council's internal control environment. This work provided an outcome report with an assurance rating. Other work provided advice and support to management to improve efficiency, or the effectiveness of systems, services or functions; in these cases, an outcome report or assurance rating is not provided.
- 4.5 Some audits started later in the year and will conclude in 2025/26, were the result of request from services and considered by the Head of Internal Audit. There continues to be some delay in management responding to the draft report. I have contacted the directors and sought assurances the audit reports will be responded to, for timely reporting of audit findings.
- 4.6 I do not consider the audits now scheduled for 2025/26 has had an adverse impact on my overall opinion for 2024/25. An analysis of the audit outcomes for work completed by Mazars is included in Appendix B and C.

- 4.7 The audit work where formal assurances were provided, as advisory work is noted in table below:

Audit Title	
Bruce Castle Capital Works Programme	Head of Audit sign off to claim the grant following confirmation of the expenditure.
Completion of Grant Claim form for Public Health Adults Weight Management Grant.	Head of Audit sign off to claim the grant following confirmation of the expenditure.

5. Annual Internal Audit Report & Opinion Statement 2024/25

Scope of Responsibility

- 5.1 The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty, under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Authority's functions, and which includes arrangements for the management of risk. Specifically, the Council has a statutory responsibility for conducting a review of the effectiveness of the system of internal control on at least an annual basis.
- 5.2 Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The Accounts and Audit Regulations require the Council to review, at least annually, the effectiveness of its system of internal control. Internal audit plays an important role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity and recommendations should strengthen the control environment and ultimately contribute to achieving the organisation's objectives.

The Purpose of the System of Internal Control

- 5.3 The Council's system of internal control is designed to manage risk to a reasonable level rather than to completely eliminate the risk of failure to achieve policies, aims and objectives. Consequently, it can only provide a reasonable, and not absolute, assurance of effectiveness.
- 5.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's vision, strategic priorities, policies, aims and objectives. It also is designed to evaluate the likelihood

of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Annual Opinion Statement on the Effectiveness of the System of Internal Control

- 5.5 The Internal Audit (IA) Plan for 2024/25 was developed primarily to provide the Corporate Leadership Team and the Audit Committee with independent assurance on the adequacy and effectiveness of the systems of internal control, including an assessment of the Council's corporate governance arrangements and risk management framework.
- 5.6 The Head of Internal Audit's (HIA) opinion is based primarily on the work carried out by the Council's IA service during 2024/25, as well as a small number of other assurance providers. Where the work of internal audit has identified weaknesses of a systematic nature that impact on the system of internal control, this has been considered in forming the HIA opinion.

Basis of Assurance

- 5.7 All the IA reviews carried out in 2024/25 have been conducted in accordance with the UK PSIAS, based on the annual assessment carried out by Mazars as part of their annual internal peer review challenge.
- 5.8 In line with the UK PSIAS, the Head of Audit and Risk Management is professionally qualified and suitably experienced. The skills mix within the contractor's team has evolved during the year though every single member of the IA team is either fully qualified or actively studying for a relevant professional internal audit or accounting qualification. As a result, the 2024/25 IA resources fulfilled the UK PSIAS requirements in terms of the combination of professionally qualified and suitably experienced staff.

Qualifications to the Opinion

- 5.9 During 2024/25 the Council's IA service:
- had unrestricted access to all areas and systems across the authority;
 - received appropriate co-operation from officers and members; and
 - had sufficient resources to enable it to provide adequate coverage of the authority's control environment to provide the overall opinion. A benchmarking review of local authorities' internal audit service has revealed Haringey Council has on average fewer internal audit days than other London boroughs. Though the appointment of the Deputy Head of Audit and Risk Management has increased the level of resource available to devote to Internal Audit, there has been continued pressure in the delivery of the Council's anti-fraud work that, in reality, impacted on the proportion of internal audit work. The Head of Audit and Risk Management is continuing to look at how the authority can obtain an adequate level of business assurance and maintain vigilance over the level of

resources available. Appendix D sets out the outcome of the Anti-Fraud Activity during 2024/25.

Other Assurance Providers

5.10 In formulating the HIA overall opinion on the Council's system of internal control, the Head of Audit and Risk Management has considered the work undertaken by other sources of assurance, and their resulting findings and conclusions. These other assurance providers which included:

- Risks identified on the Directorate Risk Registers;
- The work of Feedback and Information Governance Group;
- The Statutory Officer Group
- The IT Security Group;
- The work of the Health & Safety Group;
- Reports from Government Agencies and inspections;
- External Audit Plan and their ISA 260 report.

Significant Internal Control Weaknesses

5.11 Internal audit is required to form an opinion on the quality of the internal control environment, which includes consideration of any significant risk or governance issues and control failures which arise during the year.

5.12 There were several significant internal control weaknesses identified by internal audit during 2024/25. The risks identified from the audit work have been raised with management and work is ongoing to strengthen the Council's control environment in relation to the risks identified.

5.13 For the audits assigned limited or nil assurance by Mazars, it was noted the internal controls had been designed to mitigate risks, though in practice, some of these controls were not operating. The "second line of defence" alerts management where internal controls are not designed or operating as intended but for several audit areas, the second line of defence was not effective in identifying the weakness in the operation of the controls at the service level (in the "first line of defence"). Examples of internal controls in the second line of defence include developing and reporting robust business cases to inform decision making, quality assurance and monitoring arrangements, performance management and key performance indicators, and supervisory controls to ensure compliance with Council policy and procedures. An area of focus is the work around the Council's procurement processes and the change in the operating model at the Council to ensure compliance with the Council's contract standing orders. There are a number of audits planned in this financial year to review and advise on changes to current arrangements.

5.14 Senior management have agreed to respond to the significant internal control weaknesses identified for internal audits carried out in 2024/25.

6. Analysis of Audit Work

- 6.1 A review of the work of internal audit is summarised in the table below. Please see Appendix B, and C for more information.

Table 3 analysis of audit outcomes

Assurance Level	2024/25 Reports	2023/24 Reports	2022/23 Reports
Substantial	6 (13%)	2 (4%)	5 (9%)
Adequate	14 (26%)	20 (36%)	20 (33%)
Limited	22 (40%)	16 (29%)	23 (38%)
Nil/No	1 (2%)	2 (4%)	1 (1%)
Advisory / Risk Work	3 (6%)	2 (4%)	9 (15%)
Follow Up / reporting in 25/26	6 (13%)	13 (23%)	2 (4%)
Total	52 (100%)	55 (100%)	60 (100%)

Recommendations raised in 2024/25 and Follow Ups in 2023/24

- 6.2 An analysis of the recommendations raised as part of the 2024/25 audits is set out below. The figures are based on 44 assurance reports (32 assignments completed in the year and 12 assignments brought forward from last year) in 2024/25 and 24 in 2023/24. Details of the recommendations raised for 2024/25 is set at paragraph 3.20 above.

Table 4 - 2024/25 recommendations by priority

Risk	Number of recommendations		Percentage	
	2024/25 (44 Audits)	2023/24 (24 Audits)	2024/25 (44 Audits)	2023/24 (24 Audits)
Priority 1 – High	28	32	14%	23%
Priority 2 – Medium	104	73	51%	55%
Priority 3 - Low	73	30	35%	22%
Total	205	135	100%	100%

- 6.3 All recommendations raised are tracked until closure this has in the past been part of the audit plan activity although directorates were expected to maintain their own records of recommendations for management monitoring. The results of follow up have informed this year's opinion and 2025/26 audit planning.
- 6.4 In 2024/25 a project to review all open audit actions has been completed and the actions raised in year will all be tracked using a system accessible to both services and audits in order to streamline the follow up process.
- 6.5 My area of focus for 2025/26 will continue to be priority one recommendations as although these are often more complex actions to close, they do pertain to the highest risk findings of our work. It should be noted that these actions are often significant in terms of resources and whilst the actions are not fully embedded the follow up process looks to ensure interim mitigations are put in place where possible. The areas where priority one recommendations remain open are Contracts and Procurement, Housing, Commercial Property and Digital Services.

7. Consultancy Audits 2024/25

- 7.1 The trend for continued support and advice is likely to continue into the future. Mazars provide strengthened specialist input into areas such as: IT, Project Management; Housing and Schools and the Head and Deputy Head of Audit have continued to offer advice to services throughout the year.

8. Significant issues arising in Quarter 4

- 8.1 For completeness, audits finalised relating to quarter 4 are detailed in this section. In this period, ten reports were finalised, the profile of the assurances is as follows:-
- One audit area was “Substantial” Assurance;
 - Five audits were assigned “Adequate” Assurance;
 - Three audits were assigned “Limited” Assurance and
 - One audit was a consultancy audit and not given an assurance.
- 8.2 For further details of the audits, please refer to Appendix F.

8.3 The nature of the service and key residual risks arising from review are noted below.

- Scheme of Delegation – “Substantial” Assurance
- Community Reablement Services – “Adequate” Assurance
- IT Change and Problem Management – “Adequate” Assurance
- Delivery of New Council Homes – “Adequate” Assurance
- Homecare Services – “Adequate” Assurance
- Recycling – “Adequate” Assurance
- Implementation of Panacea – “Limited” Assurance
- Leisure Services Insourcing – “Limited” Assurance
- Accounts Receivable (Sundry Debtors) – “Limited” Assurance

8.4 Key findings arising from the audit area assigned “Limited Assurance” are set out below.

Implementation of Panacea – “Limited” Assurance

8.5 The auditors raised seven recommendations; four “priority 2” and three “priority 3”. The key issues were:

- Management had not considered the need for recording attendees of group meetings or assigning target completion dates and owners to actions;
- Lack of alignment and engagement in updating Digital PMO template documents and change control processes, exacerbated by an organisational restructure and the cessation of cross-business meetings;
- Challenges and delays with contract approval process; and
- Budget monitoring was overseen outside of the Project Team and not supported with a formal communication line.

Leisure Services Insourcing – “Limited” Assurance

8.6 The auditors raised six recommendations; three “priority 1”, two “priority2” and one “priority 3”. The key issues were:

- Tasks scheduled for post-go live had been noted in the Insourcing Plan, however operational details of their delivery have not yet been agreed;
- Expectations around the level of information completeness was not enforced in Workstream Monitoring spreadsheets; and
- Inability to recruit a HR workstream lead to effectively report on risks and progress.

Accounts Receivable (Sundry Debtors) – “Limited” Assurance

8.7 The auditors raised three recommendations; one “priority 1”, and two “priority 2”. The key issues were:

- A lack of resources in the Corporate Debt team and systems issues in SAP whereby Dunning is not being generated automatically;
- Ineffective arrangements to accommodate swift recovery of debts; and
- The administration of Adult Social Care needs attention, the current arrangements result in high human resource to recover debts.

9. Quality Assurance and Improvement Programme (QAIP)

9.1 The Public Sector Internal Audit Standards’ (PSIAS) set out the need for internal audit to develop a quality assurance and improvement programme (QAIP) which seeks to ensure the internal audit service conforms to the PSIAS and provides a means of maintaining continuous improvement.

9.2 The areas for development for Internal Audit on the QAIP for 2025/26 will continue to be monitored and reported to the Audit Committee and Senior Management. The QAIP is attached at Appendix E.

Minesh Jani

Head of Audit and Risk Management

6 July 2025



Appendix B

London Borough of Haringey

Audit and Risk Committee

Forvis Mazars 2024/25 Summary Appendix
Prepared by: Forvis Mazars
Date: July 2025

Internal Audit Annual Report 2024/25

Contents

01

Internal Audit Work Undertaken in 2024/25

02

Benchmarking

Disclaimer
This report ("Report") was prepared by Forvis Mazars LLP at the request of London Borough of Haringey and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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01 Summary of the 2024/25 Internal Audit Plan

The table below lists the 2024/25 Internal Audit Plan and a status summary for all the reviews undertaken by Forvis Mazars.

Audit	Days	Date of Final Report	Assurance Level	Total	Findings by Priority		
					1	2	3
Arrangements for LADO	8	October 2024	Substantial	2	-	-	2
Housing Rents	18	March 2025	Substantial	1	-	-	1
Scheme of Delegation	7	May 2025	Substantial	2	-	-	2
Kenneth Robbins and Stellar House	10	April 2025	Substantial	1	-	-	1
Future Design of Waste Management Services	10	January 2025	Substantial	2	-	-	2
HCBS Contract Management	6	April 2025	Substantial	1	-	-	1
Deprivation of Liberty Including Safeguarding	10	February 2025	Adequate	3	-	1	2
Community Reablement Services	8	February 2025	Adequate	4	-	3	1
Treasury Management	10	February 2025	Adequate	3	-	1	2
Planning	10	October 2024	Adequate	4	-	1	3
Delivery of New Council Homes	10	April 2025	Adequate	3	-	1	2
Pension Investment Management	10	February 2025	Adequate	1	-	1	-
Management of Council Tax Reduction Scheme (CTRS)	10	January 2025	Adequate	2	-	1	1
Homecare Services	10	March 2025	Adequate	2	-	1	1
Recycling	10	May 2025	Adequate	3	-	1	2

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01 Summary of the 2024/25 Internal Audit Plan (continued)

The table below lists the 2024/25 Internal Audit Plan and a status summary for all the reviews undertaken by Forvis Mazars.

Audit	Days	Date of Final Report	Assurance Level	Total	Findings by Priority		
					1	2	3
Direct Payments – Disabled Children	10	May 2025	Adequate	3	-	3	-
IT Change & Problem Management	10	May 2025	Adequate	4	-	2	2
Management of Freedom of Information (FOI) Requests	7	August 2024	Adequate	5	-	2	3
Planning	10	October 2024	Adequate	4	-	1	3
Leisure Services Insourcing (pre-implementation)	10	February 2025	Limited	6	3	2	1
Governance over Delivery of Savings (x1)	10	September 2024	Limited	4	-	3	1
Support for Children provider payments process	17	October 2024	Limited	5	-	3	2
Accounts Receivable (Sundry Debtors)	10	March 2025	Limited	3	1	2	-
Corporate Performance and Intelligence and Change Projects and Programme Portfolio (Change Portfolio)	10	January 2025	Limited	7	-	4	3
Management Over Gifts & Hospitality	7	November 2024	Limited	6	-	5	1
New Operating Model – Procurement Act 2023	10	October 2024	Limited	3	-	3	-
Management of Staff Performance	10	September 2024	Limited	5	3	1	1
Review and Management of Off Contract Spend	10	February 2025	Limited	6	3	3	-
HCBS Lettings	6	April 2025	Limited	3	-	2	1
HfH Property Management	10	April 2025	Limited	6	-	3	3

01 Summary of the 2024/25 Internal Audit Plan (continued)

The table below lists the 2024/25 Internal Audit Plan and a status summary for all the reviews undertaken by Forvis Mazars.

Audit	Days	Date of Final Report	Assurance Level	Total	Findings by Priority		
					1	2	3
Implementation of Panacea	10	April 2025	Limited	7	-	4	3
Financial Assessment of Clients	10	December 2024	Limited	12	3	6	3
Birchtree Superior Landlords	10	Final Report	Fact Find	N/a	N/a	N/a	N/a
Total				123	13	60	50

01 Overview of Internal Audit Plan 2023/24 completed in 2024/25

The table below lists the status of all reviews within the 2023/24 Plan and reported to the Audit Committee in October 2024.

Audit	Days	Date of Final Report	Assurance Level	Total	Findings by Priority		
					1	2	3
Regeneration of Canning Crescent / Osbourne Grove	10	September 2024	Adequate	3	0	2	1
Administration of the Landlord Licensing Scheme and Learning Lessons from its use	10	June 2024	Adequate	4	0	0	4
Management of Aids and Adaptations	10	September 2024	Limited	8	1	7	0
Commercial Property	10	September 2024	Limited	16	6	6	4
Children In Care	10	September 2024	Limited	5	1	3	1
Policies around Damp and Mould	10	September 2024	Limited	11	3	6	2
HCBS audit	12	September 2024	Limited	3	0	2	1
HFH audit	16	September 2024	Limited	8	0	5	3
Management of Council Purchase Cards	12	September 2024	Limited	3	1	2	0
Tenancy Management	10	September 2024	Limited	12	0	5	7
Homeownership Service	10	September 2024	Limited	3	1	0	2
International Recruitment	12	July 2024	Limited	6	0	5	1
Voids and Follow up of Lettings	12	August 2024	Limited	6	2	4	0
Governance arrangements over Regeneration of Broadwater Farm	10	August 2024	Limited	6	1	1	4

01 Overview of Internal Audit Plan 2023/24 completed in 2024/25

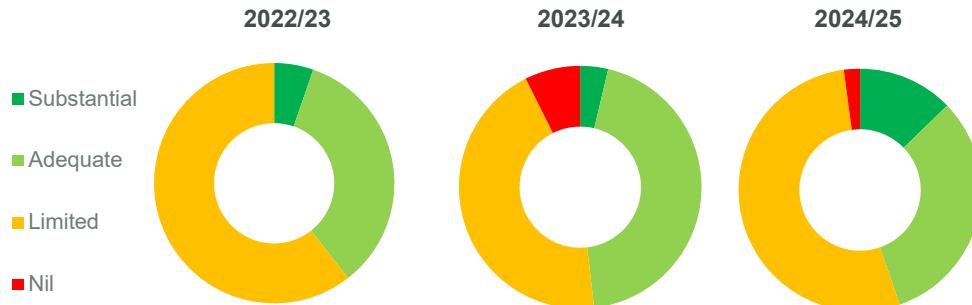
The table below lists the status of all reviews within the 2023/24 Plan and reported to the Audit Committee in October 2024.

Audit	Days	Date of Final Report	Assurance Level	Total	Findings by Priority		
					1	2	3
Residential Placements (2022/23)	10	September 2024	Nil	10	2	6	2
Follow up Actions from Property Improvement Plan	8	September 2024	N/A	-	-	-	-
Coroners Service	10	March 2025	N/A	8	0	6	2
Statutory Compliance KPI Assurance	30	June 2024	N/A	4	1	1	2
Totals				116	19	61	36

02 Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made at London Borough of Haringey.

Comparison of Assurance Levels

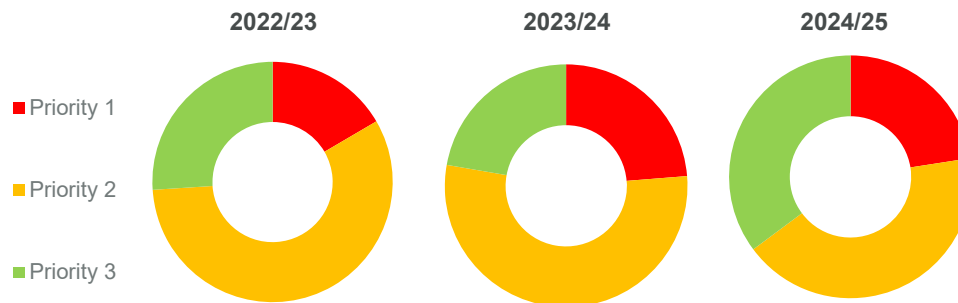


In 2024/25, 32 audits were completed where an assurance rating was given. Six audit received 'Substantial' assurance, 13 received 'Adequate' Assurance, 13 received 'Limited' Assurance. We also completed three fact find reviews. In addition, 18 audits were finalised in 2024/25 that began in 2023/24, two audits were assigned 'Adequate' assurance, 12 'Limited' Assurance and one 'Nil' Assurance.

In 2023/24, 27 audits were completed where an assurance rating was given. One audit received 'Substantial' assurance, 12 received 'Adequate' assurance, 12 received 'Limited' assurance and two received 'Nil' assurance. We also completed two advisory reviews.

It should be noted though that the areas of review will not typically be the same given the risk-based nature of the Internal Audit Plan year on year and that caution should be exercised in comparing years.

Comparison of Recommendation Gradings



The total number of recommendations made in 2024/25 was 239 (which includes 18 audits that began in 2023/24 but were finalised in 2024/25), which was an increase in recommendations from 2023/24 where 135 recommendations were raised.

The proportion of Priority 1 recommendations has remained the same (32) in 2023/24 and in 2024/25 of the total recommendations raised.

As noted above, the areas of review each year will not typically be the same.

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We take responsibility to London Borough of Haringey for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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London Borough of Haringey

Appendix C

Schools Audits – Forvis Mazars 2024/25 Summary Appendix

Prepared by: Forvis Mazars

Date: June 2025

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- 01 Schools Internal Audit Activity 2024/25
- 02 Summary of the 2024/25 Internal Audit Plan
- 03 Internal Audit Plan 2024/25 vs Budget
- 04 Benchmarking
- 05 Overall Assessment of Control and Recommendations raised
- 06 Follow Up on 2023/2024 School Audits

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01 Schools Internal Audit Activity 2024/25

Below is a snapshot of the work we have carried out in relation to schools during 2024/25.

Assurance Focused Programme

Following the updates to our audit programme during 2024/25, we have continued to liaise with different areas of the council, as well as other stakeholders in relation to assurance.

Business Manager 1 to 1

Where school business managers request a briefing prior to the audit visit, we are happy to hold a session to run through the audit programme in advance of the audit so that the school knows what to expect from the audit process.



Enhanced Closing Meetings

For schools receiving limited assurance, we undertook an enhanced closing meeting with the Headteacher and School Business Manager to provide an opportunity to provide any additional context or clarifications where required

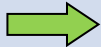
Common themes arising

The most common themes continue to be:

- Governors not providing evidence of their DBS certificate, particularly where the previous certificate requires an update.
- Contracts have been rolled over for a number of years, and spend on them exceeds the thresholds for going out to tender.
- An Information Asset Register which outlined the data collected and utilised by the Schools were not maintained, in line with the guidance issued by the Information Commissioner Office.

02 Summary of the 2024/25 Internal Audit Plan

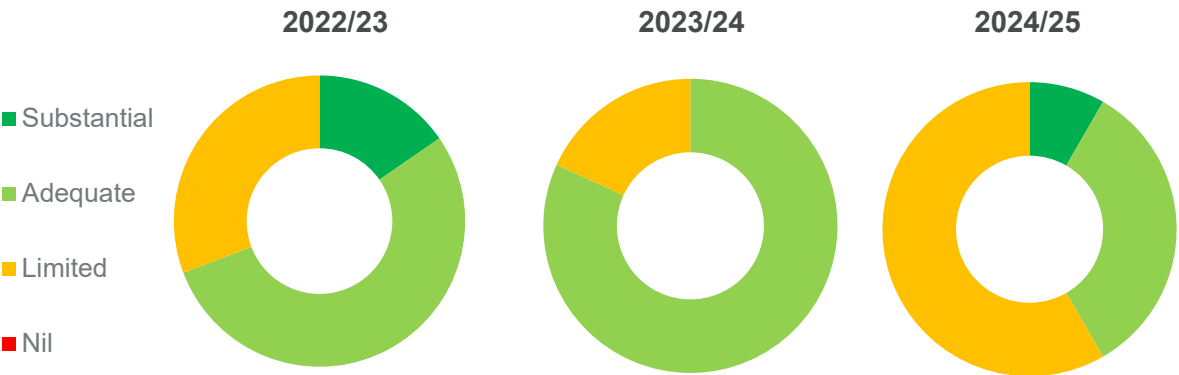
The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports.

Audit area	Days	Assurance level	Direction of Travel	Recommendations			
				High (Priority 1)	Medium (Priority 2)	Low (Priority 3)	Total
Lancasterian Primary School	8	Substantial		-	-	1	1
Ferry Lane Primary School	8	Adequate		-	5	1	6
Rokesly Junior School	8	Adequate		-	3	5	8
Welbourne Primary School	8	Adequate		-	4	5	9
West Green Primary School	8	Adequate		-	3	9	12
Park View School	8	Limited		2	6	3	11
St Mary's Priory Infant and Junior Primary Schools	8	Limited		1	1	5	7
Highgate Wood School	8	Limited		-	5	9	14
Chestnuts Primary School	8	Limited		1	5	10	16
Woodlands Park Nursery School	8	Limited		1	6	8	15
Belmont Junior School	8	Limited		2	6	7	15
Crowland Primary School	8	Limited		3	4	8	15
			Total	10	48	71	129

04 Benchmarking

This section compares the Assurance Levels and categorisation of recommendations made in the school’s audits in 2022/2023, 2023/2024 and 2024/2025.

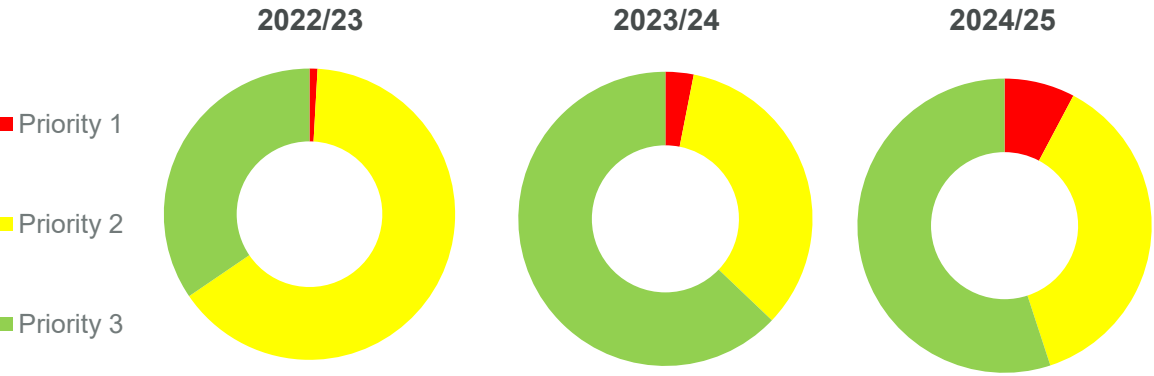
Comparison of Assurance Levels



Of the 12 completed audits in 2024/2025, 1 received ‘Substantial’ assurance, 4 received ‘Adequate’ assurance, and 7 received ‘Limited’ assurance.

In comparison to last year, the number of limited assurances has increased by five, while ‘Adequate’ assurance reports have decreased by five. With this said, substantial reports have increased by one compared to the FY23/24. these changes may be in part to an increase in the total number of audits completed for the period.

Comparison of Recommendation Gradings

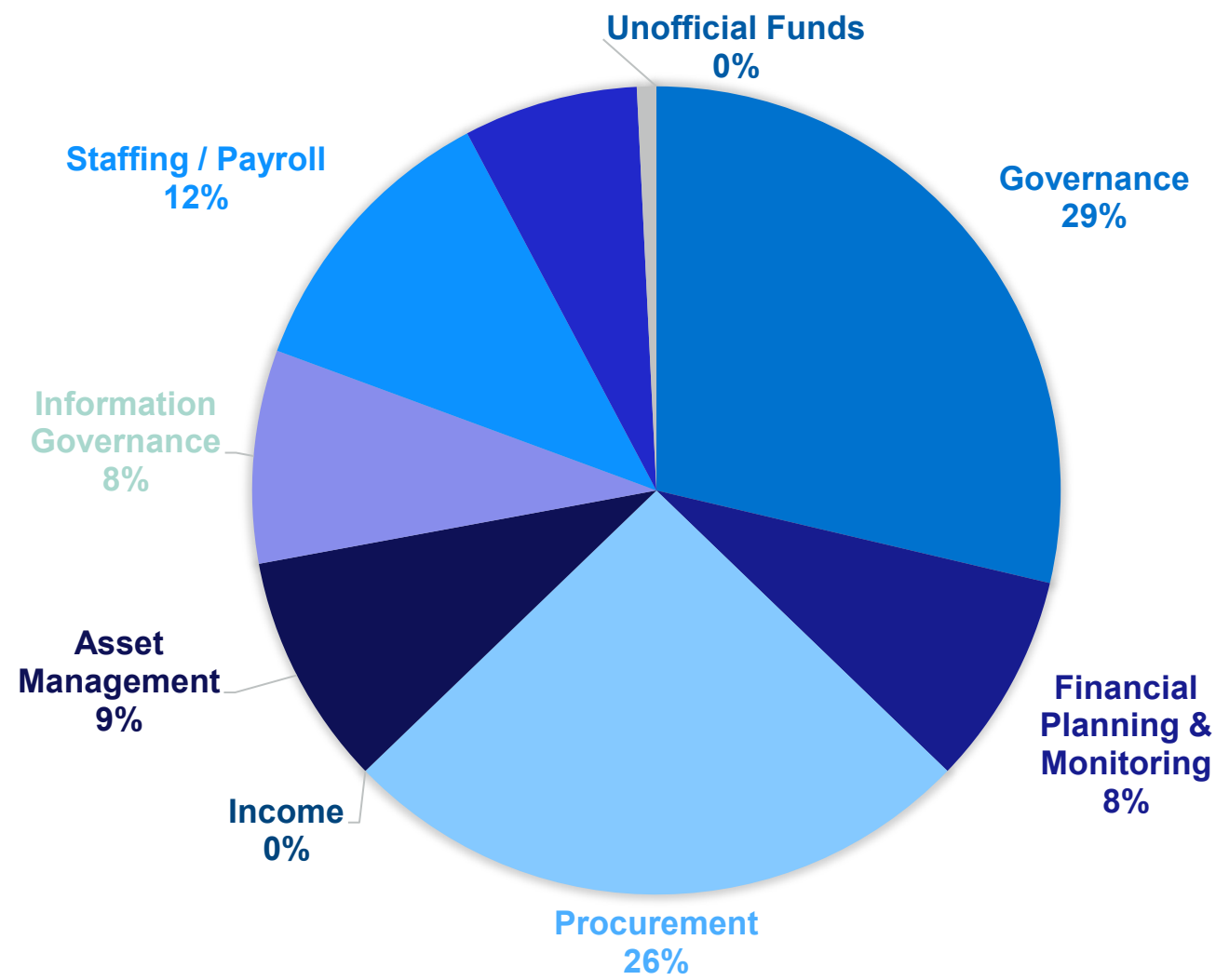


The total number of recommendations made in the year was 129. This represents an increase of 32 from the prior year (97). The proportion of Priority 1 recommendations has increased from 3% to 13% of total recommendations raised.

05 Overall Assessment of Control and Recommendations Raised

Area of Scope	Total	Recommendations Raised		
		1	2	3
Governance	37	4	10	23
Financial Planning and Monitoring	11	-	3	8
Procurement	33	3	24	6
Income	-	-	-	-
Asset Management	12	-	2	10
Information Governance	11	1	1	9
Staffing / Payroll	15	2	8	5
Income (Lettings, Breakfast and After School Clubs, School Meals Arrears)	9	-	-	9
Insurance and Health & Safety	1	-	-	1
Unofficial Funds	-	-	-	-
Totals	129	10	48	71

05 Overall Assessment of Control and Recommendations Raised



06 Follow-up on 2023/24 School Audits

Follow up of 2023/2024 audits	Assurance	Recommendations raised				Recommendations Implemented (Impl)				Partly Impl.	Not Impl.	Not Accepted	Due to review*	
School		1	2	3	Total	1	2	3	Total	Total	Total	Total	Total	Total
Blanche Nevile Special School	Adequate	-	2	3	5	-	1	3	4	-	1	-	-	1
The Vale School	Adequate	-	-	6	6	-	-	3	3	-	3	-	-	3
Weston Park Primary	Adequate	-	1	6	7	-	-	5	5	1	1	-	-	2
St Michaels Church of England Highgate Primary School	Adequate	-	2	5	7	-	1	5	6	-	-	1	-	1
Lea Valley Primary School	Adequate	-	5	3	8	-	1	1	2	-	5	-	1	6
Seven Sisters School	Adequate	-	4	5	9	-	-	4	4	1	-	-	4	5
St Aidan's Voluntary Controlled Primary School	Adequate	-	4	5	9	-	-	5	5	-	-	-	4	4
St Gilda's Catholic Junior School**	Adequate	-	3	6	9	-	-	6	6	-	1	-	2	3
St John Vianney School	Adequate	-	5	7	12	-	1	6	7	1	2	1	1	5
Gladesmore School October***	Limited	1	1	2	4	1	-	1	2	-	2	-	-	2
Muswell Hill Primary School	Limited	1	1	5	7	-	1	5	6	-	1	-	-	1
Stroud Green Primary School	Limited	1	4	9	14	-	-	9	9	-	1	-	4	5
Lordship Lane Primary School****	Limited	-	15	4	19	-	10	4	14	-	3	2	-	3
Overall Total		3	47	66	116	1	15	57	73	3	20	4	16	41

*This column relates to recommendations where the School have not provided documentation to evidence the implementation status

** This School is due to close over the FY25/26, and therefore outstanding recommendations will not be reviewed in upcoming follow-up engagements. The Follow Up was Completed in April 2025.

*** One medium recommendation was not accepted by the School when it was originally raised in FY23/24

**** This audit was originally raised during the FY22/23. However, on the request of the Deputy Head of Audit and Risk Management, the School was included within scope of the follow-up engagements for FY24/25. Furthermore, two medium recommendations were not accepted by the School when the report was originally raised, and therefore these were not reviewed during our follow up engagements.

Forvis Mazars

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The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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Appendix D - Anti-fraud



2024/25

Anti-Fraud 2024/25

Introduction

Haringey Council is committed to ensuring the highest possible standards are maintained by its employees, contractors and residents. Fraud and corruption can impact on the public's confidence in the Council and its reputation in the long term as well as placing unnecessary additional burden on the public purse. Anti-fraud policies and strategies are in place to detect and prevent fraud and a corporate team of investigators within the Audit and Risk service is managed by the Deputy Head of Audit and Risk Management.

We reviewed our Fraud Strategy in September 2024, along with all the linked policies, against latest good practice. Our work plan is driven by a Fraud Risk assessment which is reviewed annually. For 2024/25 our planned work focused on Housing Fraud with proactive checks to prevent fraud and dedicated resources responding to reactive fraud referrals. Planned proactive projects were not completed due to high levels of fraud referral. Work to complete the Blue Badge Fraud project and transition back to business as usual with fraud resources focused on prosecution cases was completed. An additional project regarding Hidden Assets was added to the plan but due to high levels of reactive referrals and a need for management to strengthen the control environment in 2024/25 was moved into 2025/26. We also participated in the National Fraud Initiative including a Pilot regarding dual roles which has been a high risk since covid.

Referrals to the team for both proactive fraud checks, and reactive investigations increased again in 2024/25 from prior years, in particular in relation to employee fraud cases. In 2024/25 the team reviewed their fraud system and reprocured the contract.

The purpose of this document is to outline the activities of the team that have been considered when forming the Head of Internal Audit Opinion, it also seeks to ensure that in accordance with Part 2 of the Local Government Transparency Code 2015, the council has published information on the cost of its anti-fraud work and the outcomes achieved. The team's performance is reported quarterly to the Council's Audit Committee during the year.

Transparency Code 2015 requirements

Requirement	2022/23	2023/34	2024/25
Allocated budget for anti-fraud work	£556k	£506k	£521k
Number of staff (absolute and FTE) undertaking anti-fraud work	8 staff: 6.5 FTE	8 staff: 6 FTE	8 staff: 6.5 FTE
Number of staff of professionally accredited anti-fraud specialists	6 Staff	6 Staff	6 Staff
Total amount of time spent on the investigation and prosecution of fraud	1,135 days	1,047 days	1,235 days
Total number of fraud cases investigated	657 (341 reactive cases)	801 (387 reactive cases)	796 (411 reactive cases)
Number of occasions powers under the Prevention of Social Housing Fraud Regulations have been used	48	65	78

Transparency Code 2015 requirements

Type of Activity	2022/23	2023/24	2024/5
Tenancy Fraud Cases	229	332	282
Employee Fraud / Whistleblowing Cases	9	17	31
Non Employee Fraud/ Whistleblowing Cases	0	1	3
Right to Buy applications	211	171	308
Blue Badge	3	38	95
Gas Safety & Proactive Tenancy Visits	81 72	105 85	35 55
No Recourse to Public Funds financial checks	52	42	61
Business Grant pre payment checks	0	20	0
TOTALS	657	801	870

Anti-Fraud Outcomes 2024/25

Tenancy Fraud

The tables on the next slide contains information regarding caseload.

In 2024/25, 42 council stock properties had been recovered through the (reactive) investigations of the Fraud Team; circa £1.76m can be attributed to the recovery, or cessation, of fraudulent council and temporary accommodation tenancies. This compares to 52 in 2023/24. A further 10 recoveries were as a result of proactive work in year.

In 2024/25 there were 411 referrals to the anti-fraud team. This is an increase again on prior years. The sources of referrals include: general public, members, council officers, other councils or government agencies, National Fraud Initiative and our own proactive activities/campaigns to identify fraud.

In addition to this the team undertake proactive fraud checks to prevent fraud occurring in the succession and grant of tenancy processes. These are high inherent fraud risk areas for the council.

The team work closely with officers in Housing via an officer seconded to work alongside the fraud team part time each week. There is acknowledgement regarding the improvement in Housing processes as part of the Housing Improvement Programme which has helped to generate this year's outcomes and we hope to build on further in 2025/26.

The workplan for 2025/26 will include a focus on Housing Fraud and will include proactive tenancy fraud activity, more work on temporary accommodation and this will be supplemented by the use of data matching and intelligence from the National Fraud Initiative.

Tenancy Fraud 2024/25

	Open	Closed
Brought Forward at year start	336	
New referrals in year	282	
TOTAL OPEN	618	
Cases closed – no fraud		124
Cases closed – property recovered		42
TOTAL at year end		452

Anti-Fraud Activity & Outcomes 2024/25

Employee and Non-Employee Fraud and Whistleblowing cases

The Head of Audit and Risk Management maintains a record of referrals made using the Council's whistleblowing policy. In total, three whistleblowing referrals were made and two were accepted under the policy during 2024/25, compared to six in the prior year. All were employee related.

All referrals made using the whistleblowing policy are reviewed and subsequent investigations are managed according to all relevant statutory requirements, including Data Protection, Regulation of Investigatory Powers and Police and Criminal Evidence Acts. In some cases, the limited amount of information provided means a full investigation cannot be undertaken. The management of the Audit and Risk service undertakes an initial review of the information before agreeing an approach with HR and service management. Any allegations relating to issues of financial irregularity are investigated by an investigator in the Audit & Risk team.

In 2024/25, two cases were investigated and closed at year end, for one there was no case to answer for the other management action was taken. The remaining (non-employee related) one is still open, but as further concerns were identified in year relating to the case the fraud team are now leading the investigation as opposed to the service, as was the case previously. The Head of Internal Audit and Risk gathers outcomes for information on all cases referred to the team. For the complete investigations, where applicable, management actions were identified, and updates are discussed periodically.

Anti-Fraud Activity & Outcomes 2024/25

Employee and Non-Employee Fraud and Whistleblowing cases

Where the allegation relates to a breach of a council policy and the investigation falls under the disciplinary policy, the severity of the breach is considered and where appropriate the team is deployed to work with the relevant stakeholders, usually the service management and human resources, to ensure the relevant policy is followed; all available evidence is gathered effectively and secured, and the appropriate action is taken. Part of this work is to reflect on the control environment and ensure controls are in place to prevent similar occurrences in future.

The team accepted 31 referrals relating to employees in 2024/25. The majority of these cases relate to dual working allegations so the case will be considered under both the fraud and disciplinary policy once the initial intelligence and evidence is available.

At the end of the year investigations and disciplinary processes were all on-going but final outcomes will be shared in quarterly reporting. Statutory Officers Group have had periodic update on this work in year due to the much higher case load.

Haringey is leading on one dual working employee prosecution case supported by the other employing Boroughs. We will file charges and support other Boroughs in prosecuting these offences where they have the strongest case and are the lead authority. In some instances, a referral to the police will be made as our powers are limited and this often hinders gathering evidence to a criminal standard.

We have one procurement fraud case that has been referred to legal.

Anti-Fraud Activity & Outcomes 2024/25

Right to Buy Applications

In 2024/25, 49 applications were withdrawn or refused either following investigations and/or failing to complete money laundering processes. This compares to 111 in 2023/24. The equivalent of 0.5 full time investigator undertakes this work to ensure that money laundering and fraud are not present in the sales of properties. Overall, the 49 RTB applications withdrawal or refusal represents circa £5m in potential RTB discounts; and means the properties are retained for social housing use.

There has been an increase in live applications year on year and this continues in 2024/25. This will continue into 2025/26 as the spike in applications following the announcement to reduce the discounts filters through the process. At year end circa 303 applications were in the process with 94 at the anti money laundering stage. This activity also can identify Housing Tenancy Fraud for us or affecting other local authorities and Housing Benefit overpayments.

No Recourse to Public Funds

As at 31 March 2025, 61 referrals have been received and responded to by the Fraud Team through the financial year. Referrals are received where the NRPF team has suspicion of fraud and needs to obtain assurance. The average cost of NRPF support per family (accommodation and subsistence for a 2 child household) is around £20,000 pa so fraud prevention, whilst ensuring the service supports those genuinely in need is essential. Referrals from the NRPF decreased by 10 from the prior year but request remains higher than the pre covid years. The fraud team provide the intelligence to the NRPFs team to enable them to make their decision with regards entitlement in line with legislation, we have no other role in these cases.

Anti-Fraud Activity & Outcomes 2024/25

Fraud Reporting

The team monitor reports of fraud received by the council from residents of the borough, many of the reports relate to services and Housing Benefit fraud so these are assessed and signposted on as appropriate. This mechanism although currently resource intensive to administer does generate some good referrals for the team.

Hundreds of communications are received each year from members of the public via our fraud hotline or email address. All are reviewed and intelligence checks undertaken as part of the referral acceptance process. The majority do not result in council fraud cases, but all are sign posted on the relevant public sector body or council service for investigation and action. In year we have been working with digital services to create an eform which will improve efficiency in the process.

DPA requests

The team have responded to over 100 Data Protection Requests with regards the prevention and detection of fraud from a range of organisations, including other local authorities.

Blue Badge

An investigator was allocated to focus on Blue Badge Fraud ran in year with the aim of deterring Blue Badge Fraud in the Borough through greater use of sanctions. Two case was successfully prosecuted.

Anti-Fraud Activity & Outcomes 2024/25

Proactive Data Matching

The team review results of data matching exercises generated by campaigns such as the National Fraud Initiative as well as local exercises interrogating council held data sets. This year the team identified a number of cases, and provided intelligence they had gathered to housing colleagues to ensure appropriate action could be taken. Although we were unable to do the full proactive relating to deceased tenant's smaller projects have been achieved.

These proactive exercises are either undertaken to compliment audit activities that are in the audit plan or identify control failings so that audit resources can be directed to this area and control improvement designed. Temporary Accommodation has been an area of focus and that work will continue into 2025/26.

In 2024/25, 10 council properties were recovered as a result of a proactive project to identify unknown voids. There are a further 82 still being investigated or recovery actioned.

The team have been part of a pilot exercise with NFI on dual roles which is now going to be run periodically to detect more fraudsters.

Squatting

This has been a risk area that has increased significantly in 2024/25, and the team have worked with management to provide audit and risk advice but also reviewed cases for criminal activity and liaised with the police or evidence of internal corruption. This work continues into 2025/26.

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Internal Audit Quality Assurance and Improvement Programme



2021–2025



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Interpretation

A Quality Assurance and Improvement Programme (QAIP) enables an evaluation of the internal audit activity's conformance with the Internal Professional Practices Framework (IPPF), Definition of Internal Auditing and Standard 1300 (Quality Assurance and Improvement Programme) within the Public Sector Internal Audit Standards (PSIAS) 2017 and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity with the primary objective of the QAIP to promote continuous improvement to enable Internal Audit to meet its mission namely, to

“Deliver a forward thinking to enhance and protect organisational value by providing risk based, independent and objective assurance, consulting activity, advice and insight.”

Benefits of a QAIP

Internal Audit's QAIP is designed to provide reasonable assurance to its stakeholders that the service:

- ✓ Conforms with the mandatory guidance of the Public Sector Internal Audit Standards (PSIAS);
- ✓ Performs its work in accordance with its Charter (which is consistent with the PSIAS);
- ✓ Is perceived by stakeholders as adding value and continually improving its operations;
- ✓ Has the ability to increase the credibility of internal audit within the organisation;
- ✓ Anticipates, meets and exceeds stakeholder expectations by offering valuable advice and insight;
- ✓ Operates in an effective and efficient manner; and
- ✓ Adds value and identifies areas for continual improvement to the services provided.

PSIAS Standard 1300

A QAIP covers the entire spectrum of assurance, consulting and fraud / irregularity work performed by the internal audit activity in accordance with the Standard 1300 (Quality Assurance and Improvement Programme), including. To implement the Standard the Chief Internal Auditor (CIA) must consider the requirements related to its four essential components:

1. Undertaking both periodic and on-going internal assessments (Standard 1311);
2. Commissioning an external assessment and communicating the results to the Corporate Committee (1312 & 1320);
3. Proper use of a conformance statement (Standard 1320 & 1321); and
4. Disclosure of non-conformance (Standard 1322).

Internal Assessments

Internal assessments are undertaken through both on-going day to day supervision of Mazars and periodic reviews of the audit work.

On-going Reviews

Continual assessments of quality are undertaken via:

- ✓ Management supervision of all audit activity and structured documented review of Terms of Reference, working papers, draft and final reports;
- ✓ Audit quality procedures for each audit engagement to ensure consistency, quality and compliance with planning, fieldwork and reporting standards;
- ✓ Feedback from audit clients obtained through surveys at the closure of each engagement;
- ✓ Post audit evaluations undertaken at the end of each audit activity to identify trends and any learning and development needs;
- ✓ Monitoring of internal performance targets and quarterly reporting to Senior Management and Corporate Committee;
- ✓ High priority recommendation monitoring process in place to ensure implemented; and

Internal Audit Quality Assurance and Improvement Programme (QAIP) Framework

- ✓ Follow up audits undertaken where a limited assurance opinion on the control environment provided.

Periodic Reviews

Periodic assessments are conducted via:

- ✓ Annual Risk Based Internal Audit Plan developed. This is dynamic and changes in year due to risk, consultancy, irregularity and assurance needs;
- ✓ Quarterly Progress Reports presented to the Corporate Committee which includes progress against the annual plan, reports issued during the period including details of the risk and control opinions and summaries of key issues and outcomes from the work undertaken in the period, including fraud and irregularity work;
- ✓ Annual self-assessment of conformance with the PSIAS and annual review of compliance against the requirements of the QAIP, the results of which are reported to Senior Management and the Corporate Committee;
- ✓ Feedback from Director of Finance and Chair of the Corporate Committee on the CIA's performance; and
- ✓ Annual Satisfaction Surveys to key stakeholders.

External Assessment

In addition to internal assessments, the CIA is responsible for ensuring that the internal audit activity conducts an external assessment at least once every five years.

The purposes of the assessment, which must be performed by an independent assessor or assessment team from outside the organisation, is to validate whether the internal audit activity conforms with the Standards and whether internal auditors apply the Code of Ethics.

A self assessment may be performed in lieu of a full external assessment, provided it is validated by a qualified, independent, competent and professional assessor. The latest assessment was completed in July 2022 and the recommendations captured in this document.

Responsibility / Communication of QAIP Results

The CIA is committed to continuous improvement and is responsible for implementing the QAIP and will ensure that the results of this programme are communicated to the Corporate Board and the Corporate Committee (as defined within the Charters). However, everyone within Internal Audit have responsibility for maintaining quality, therefore all activities outlined in this QAIP involve all relevant staff and Mazars. The communication of QAIP results will include:

- ✓ The outcomes in respect of both internal and external assessments;
- ✓ The internal audit service will only communicate that the internal audit activity conforms with International Standards for the Professional Practice of Internal Auditing, if results of both the QAIP's internal and external assessments support such a statement; and
- ✓ Any non-conformance with the IPPF's mandatory elements of the standards, their impacts and improvement plans.

Appendix 1: Internal Audit service QAIP and performance monitoring arrangements.

To provide maximum assurance to inform the annual audit opinion	
Measure of assessment	Reporting
Risk Based Internal Audit Plan and Delivery To undertake a risk based annual plan formulation exercise by risk assessment meetings with appropriate directors and / or their management teams based on their need for assurance or key risks. Deliver an effective and appropriately resourced Internal Audit function in line with the Accounts and Audit Regulations and provide an annual Audit opinion.	Annually to Senior Management and the Corporate Committee. Changes reported as they arise during the year. Provision of an internal audit service in compliance with the PSIAS including reporting audit opinion on the internal audit, risk management and governance as set out in the Corporate Committee's terms of reference.
Planned Audit Activities Completed Hold regular contract monitoring meetings with Mazars to monitor the delivery of the annual internal audit plan.	Report from Mazars setting out the status of audits to the Statutory Functions Board and the Corporate Committee on a regular basis.

To provide maximum assurance to inform the annual audit opinion	
Measure of assessment	Reporting
Counter Fraud and Investigation Activity Deliver a comprehensive Counter Fraud and Investigations Service.	Outcomes form part of Quarterly and Annual Internal Audit report which is presented to Senior Management and the Corporate Committee.
Priority Recommendations Where a priority 1 or 2 recommendation is raised, the recommendations are followed up and reported to the Statutory Functions Board and the Corporate Committee.	Annual report to Senior Management and the Board. Quarterly progress reports to the Board.

To ensure that the service is customer focused, adds value and continually improves	
Measure of assessment	Reporting
Post Audit Customer Satisfaction Survey Feedback Seek management assessment of the audit process by issuing post audit customer satisfaction survey feedback form which are to be sent directly to the Head of Audit.	Annual report to Statutory Functions Board and the Corporate Committee. Few returns are made each year, and further steps to seek feedback.
Acceptance of Recommendations Percentage of high / medium recommendations accepted which evidences added value in risk mitigation.	Analysis of recommendations raised by priority including a review of recommendations not accepted where relevant. Annual report to Statutory Functions Board and the Corporate Committee.
Audit Reports Audit report 'corporate' circulation list implemented to enable risks / issues / recommendations to feed back into business as usual i.e. via Finance, Performance and Change to enable the management of risk by management.	Corporate circulation list agreed and implemented.
Internal Audit's Strategic Plan Maintain a record of all audits carried out over the last five years and share with Directors as record of audits completed.	Share as part of the annual audit plan and as and when required.

To ensure the service embeds and reflects organisational values	
Measure of assessment	Reporting
Staff Behaviours and Values - Accountability, Integrity, Empowerment, Respect and Excellence All Audit and Risk Management officers (including Mazars) to consider and apply organisational values to their dailyworking behaviours and approach e.g. to: ✓ Caring ✓ Collaborative ✓ Community-focused ✓ Courageous ✓ Creative	Monitored at 121s and Performance Development Plans.

Appendix 2: Internal Audit Service Improvement Plan

Improvement Plan 2019/2020 onwards

	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
1.	Personal Development – Fraud Officer To undertake external training to enhance the work of the team, based on the outcome of consultations with the team.	CIA	With effect from 1 st April 2019 On-going
2.	Annual presentation of the Internal Audit Charter and Strategy to Corporate Committee To continue to promote the role, purpose, status and authority of Internal Audit within the organisation and explain how Internal Audit supports effective corporate governance.	CIA	With effect from 1st April 2019 Completed
3.	Succession Planning To review the structure of the team and appoint a deputy HOA enable more effective succession planning and support ongoing resilience and sustainability whilst allowing the team to engage in consultancy audits.	CIA	1st December 2019 Completed

	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
4.	Audit Process - Clarity The audits take a lot longer to complete as the auditors and management are not clear about the process and how the audit is to be carried out. Develop a clear and unambiguous statement of the audit process that is circulated to management at the start of the audit.	CIA	1 April 2020 Completed
5.	Audit Process – Clarity To review and refine the audit terms of reference so that it becomes more risk focused and to review and refresh the assignment report so that it clearly provides the audit opinion and the reasons for the opinion in a systematic manner.	CIA	1 April 2020 Completed
6.	Follow Up – Repeat Recommendations It was noted several recommendations were not implemented in a timely manner, consequently, the follow up regime needs to be strengthened by tracking the implementation of recommendations.	CIA	30 Sept 2022 On-going
7.	PSIAS – External Assessment The external assessment for compliance with the Public Sector Internal Audit Standards is overdue. Report this to the Corporate Committee and arrange for the assessment to be completed promptly.	CIA	31 March 2022 Completed
8.	Team Structure / Vacancy There is a vacancy in the fraud team that creates an opportunity to review the current structure and consider appointment of apprentices / change of role.	CIA	31 Mar 2024 Completed

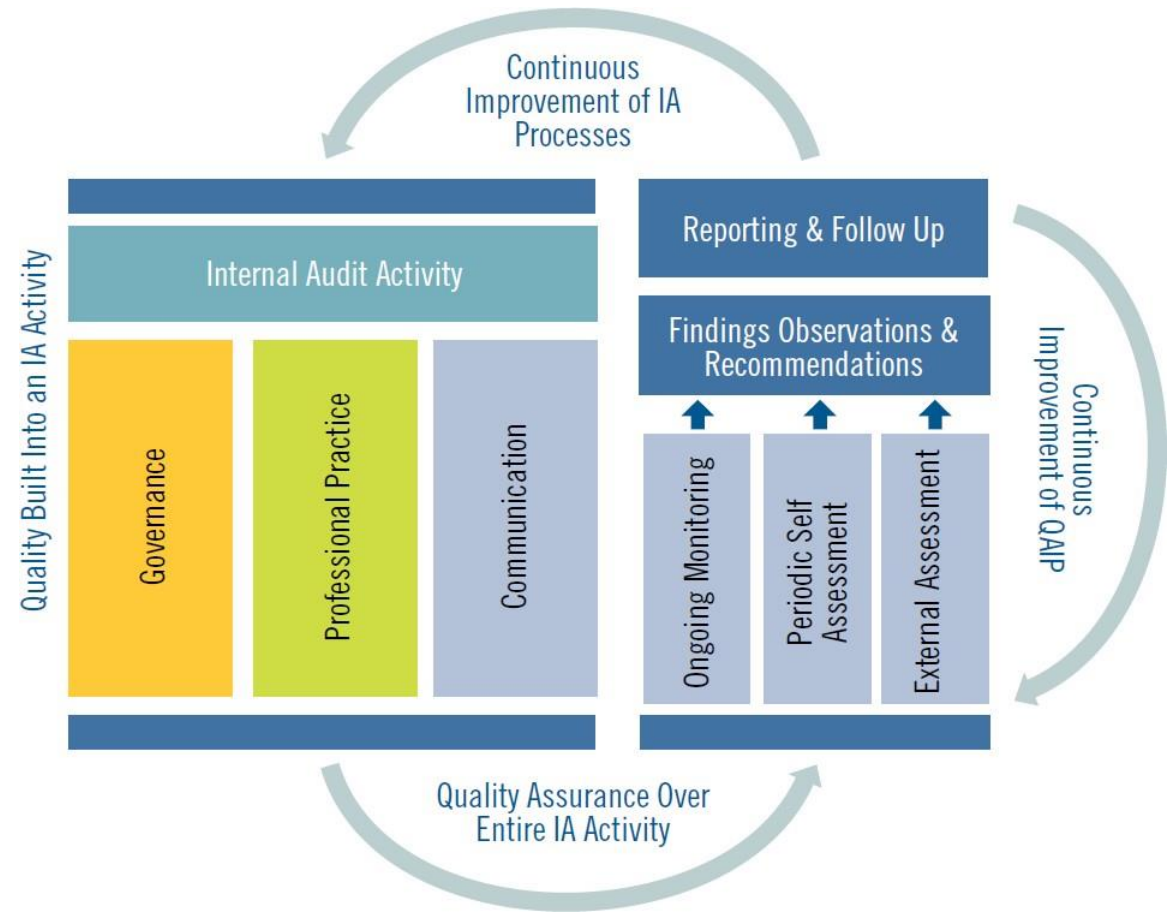
	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
9.	In-Case Anti-Fraud System The new system has been implemented and replaces the Civica system which had numerous short comings. The new system needs to be bedded in to maximise its benefits. In addition, consider the use of IDIS to offer data matching and proactive fraud system benefit.	CIA	31 March 2023 Completed
10.	Delivery of Audit Plan Covid has disrupted the timely deliver of the audit plan. Discuss arrangements for the delivery of the audit plan with Mazars by considering a change in the profiling of audit work.	CIA	31 March 2023 Completed
11.	Include a statement of impairments to independence in the annual report (Advisory) Include a statement in the annual report to confirm that there have not been any impairments to the independence and objectivity of the Service. Alternatively, if there have been any impairments, the annual report should set these out together with the action that was taken.	CIA	31 July 2022 Completed
12.	Consider the options available should the London Borough of Croydon or Mazars LLP opt to terminate the APEX framework contract in 2024 Explore the options available to the Council should the scenario arise in 2024 and to draw up an appropriate contingency plan.	CIA	31 Dec 2022 Completed

	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
13.	Include an indicative distribution list for the final audit report in the audit terms of reference (Advisory) Include an indicative distribution list for the final audit report in the audit terms of reference.	CIA	31 May 2022 Completed
14.	Include an indicative distribution list for the final audit report in the audit terms of reference (Advisory) Include a distribution list in the final audit report.	CIA	31 May 2022 Completed
15.	Develop an assurance map for the Council and highlight assurances provided from internal audit. Develop a formal assurance map that highlights areas of risk and the sources of assurance.	CIA	31 March 2024 On-going
16.	Seek feedback from auditees Though a feedback form is sent out with the final report, the numbers returned every year is very small. Encourage more submissions / participation.	CIA	31 March 2024 On-going

	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
17	Retender Anti-Fraud System The contract for the current system will expire in May 2025. The service will have to retender for implementation by May 2025.	Deputy CIA	30 April 2025 On-going
18	Responding to Draft Reports and Implementation of Recommendations Over the last year, there have been some delays in responding to internal audit reports and the review of recommendations raised and the implementation of recommendations has not been in line with the protocols. The current arrangements will be reviewed.	CIA	31 Dec 2024 On-going
19	Engage in the retender of Audit Service with Croydon The current contract will expire in March 2026 and Croydon have agreed to retender the service. Engage with Croydon to seek enhancements / development in the delivery future contract.	CIA	31 Jan 2026 On-going
20	Complete an appraisal for the delivery options of Internal Audit Review current arrangements to consider how best to deliver internal audit service so that it remains effective, and provides the assurances the authority needs in a timely and efficient manner.	CIA	31 Jan 2026

	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
21	Refresh the Internal Audit Strategy and Charter Review current strategy and charter and update to reflect the updated public sector internal audit standards.	CIA	31 Oct 2025

Appendix 3: Internal Audit QAIP framework.



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LONDON BOROUGH OF HARINGEY

Audit Committee – July 2025

Forvis Mazars Internal Audit Progress Report

Date Prepared: June 2025

Strictly private and confidential

1. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2024/25 Internal Audit Plan.



Below is a snapshot of the current position of the delivery of the 2025/26 Internal Audit Plan



Audit Committee decision needed

Note the progress being reported and consider final reports included separately in the paper pack.

RAG status of delivery of plan to timetable

On Track

Key updates

The fieldwork for all work included in the 2024/25 Plan has been completed by 31 March 2025. The responses to the draft report for **Management, Monitoring and Collection of Income**, and **Sickness Management** are overdue from management.

We continue to meet with the Head of Internal Audit and Deputy Head of Internal Audit on a bi-weekly and monthly basis, with the last meeting held on 27 May 2025.

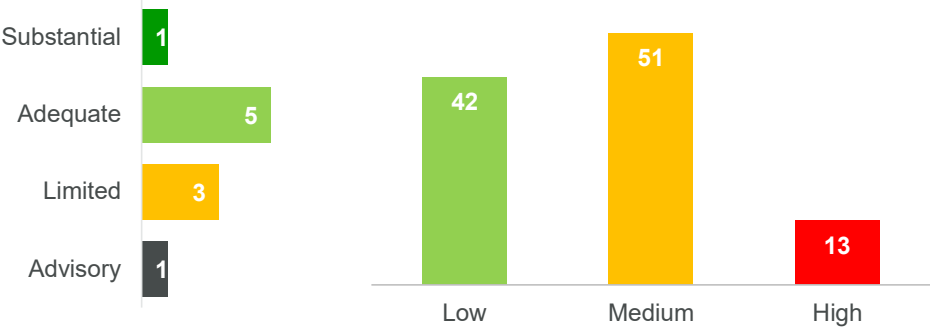
An annual meeting between Forvis Mazars and the Head and Deputy Head of Audit and Risk took place in May 2025 to discuss the 2024/25 audit year, good practice, lessons learnt, and to discuss the 2025/26 Plan.

The 2025/26 Plan has been approved, and fieldwork is underway for a number of audits.

We have undertaken a follow up of one school from the 2024/25 Plan which received a Limited assurance. Details of these can be found in **Section 2**.

An overview of the Internal Audit Plan can be found in **Section 3**.

Assurance opinions in reporting period Audit recommendations in reporting period



2. Overview of Follow up activity

Between February 2024 and May 2025, we followed up on the school that received a ‘Limited’ assurance in the 2024/25 audit plan. The outcomes of our follow up are tabled below.

School	Total recommendations raised	High	Medium	Low	No Evidence Received	Implemented	Overdue
Belmont Junior	15	2	6	7	9	4	2
Totals	15	2	6	7	6	7	2

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of the **Implementation of Panacea** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To assess whether the implementation of Panacea Project has effective project management controls in place to oversee delivery.

Audit rationale										
Why the Audit is in your 2024/25 Plan										
The implementation of a new procurement system was a key strategic priority for LBH.										
Summary of our opinion										
Limited Assurance See Appendix A1 for definitions X		Priority 1 (High) Priority 2 (Medium) Priority 3 (Low)	- 4 3	<table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>N/A</td></tr><tr><td>Overall completion</td><td>March 2025</td></tr></table>	Actions agreed by you	100%	Priority 1 completion	N/A	Overall completion	March 2025
Actions agreed by you	100%									
Priority 1 completion	N/A									
Overall completion	March 2025									
Summary of findings										
Examples of good practice ✓ Risks and issues were reviewed during daily Stand-Up meetings, with updates made to the Risk and Issues Log on Monday.com; any risks requiring escalation were flagged for senior visibility, and further updates were made after Project Board meetings if necessary.	Highest Priority Findings • Terms of Reference were not in place and records of attendance and actions were not monitored for key governance body meetings. • Change control procedures were not in place over the Project. • There was a lack of performance-based metrics for third-party supplier. • Project budget monitoring was overseen outside of the project team.		Key root causes • Management had not considered the need for recording attendees of group meetings or assigning target completion dates and owners to actions. • Lack of alignment and engagement in updating Digital PMO template documents and change control processes, exacerbated by an organisational restructure and the cessation of cross-business meetings. • Challenges and delays with contract approval process. • Budget monitoring was overseen outside of the Project Team and not supported with a formal communication line.							

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of the **Leisure Services Insourcing** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To review the key systems and controls in relation to the insourcing of the remaining three leisure centres.

Audit rationale																
Why the Audit is in your 2024/25 Plan Significant, high-profile project requiring input from across the Council.		Your Highest Risk • Problematic negotiations with Fusion with risk to resourcing and time. • Long lead times for networks/switches. • Fusion could transfer staff to the Haringey contract.		Your Strategic / Tactical Objective Improve resident experience of leisure services and work with communities to develop and broaden Council's leisure and wellbeing service offer.												
Summary of our opinion																
Limited Assurance See Appendix A1 for definitions X		<table><tr><td>Priority 1 (High)</td><td>3</td></tr><tr><td>Priority 2 (Medium)</td><td>2</td></tr><tr><td>Priority 3 (Low)</td><td>1</td></tr></table>	Priority 1 (High)	3	Priority 2 (Medium)	2	Priority 3 (Low)	1	<table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>100%</td></tr><tr><td>Overall completion</td><td>31 March 2025</td></tr></table>		Actions agreed by you	100%	Priority 1 completion	100%	Overall completion	31 March 2025
Priority 1 (High)	3															
Priority 2 (Medium)	2															
Priority 3 (Low)	1															
Actions agreed by you	100%															
Priority 1 completion	100%															
Overall completion	31 March 2025															
Summary of findings																
Examples of good practice ✓ Regular and frequent meetings (Leisure Management Board, Insourcing Mobilisation Group and Workstream Monitoring) to discuss project progress. ✓ Detailed log of actions recorded, monitored and updated in the Haringey - Fusion Action Tracker.		Highest Priority Findings • Post go-live actions and their governance has not been sufficiently planned. • Workstream monitoring spreadsheets have not been fully completed. • Ineffective reporting on/ preparations for the target operating model resource management		Key root causes • Tasks scheduled for post-go live have been noted in the Insourcing Plan, however operational details of their delivery have not yet been agreed. • Expectations around the level of information completeness was not enforced in Workstream Monitoring spreadsheets. • Inability to recruit a HR workstream lead to effectively report on risks and progress.												

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Scheme of Delegation** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing financial scheme of delegation.

Audit rationale																
Why the Audit is in your 2024/25 Plan Concerns around the Scheme of Delegation (SoD) not being up to date, and it is an area which has not been subject to a review recently.		Your Strategic Risk Inappropriate or fraudulent financial transactions are approved.		Your Strategic / Tactical Objective To ensure the Council's monies are spent appropriately and in line with the defined Financial Regulations.												
Summary of our opinion																
Substantial Assurance See Appendix A1 for definitions X		<table><tr><td>Priority 1 (High)</td><td>-</td></tr><tr><td>Priority 2 (Medium)</td><td>-</td></tr><tr><td>Priority 3 (Low)</td><td>2</td></tr></table>		Priority 1 (High)	-	Priority 2 (Medium)	-	Priority 3 (Low)	2	<table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>N/A</td></tr><tr><td>Overall completion</td><td>May 2025</td></tr></table>	Actions agreed by you	100%	Priority 1 completion	N/A	Overall completion	May 2025
Priority 1 (High)	-															
Priority 2 (Medium)	-															
Priority 3 (Low)	2															
Actions agreed by you	100%															
Priority 1 completion	N/A															
Overall completion	May 2025															
Summary of findings																
Examples of good practice ✓ All financial transactions were approved in line with the SoD for three of the Services sampled that were subject to examination ✓ Delegated decisions are evidenced and publicised on the Council website in accordance with the Constitution		Highest Priority Findings • Intranet and SAP SoDs do not align • Officer Scheme of Delegation does not contain responsible officer for monitoring SoD		Key root causes • Batch payments and payments relating to multiple cost centres are difficult to track												

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of the **Community Reablement Services** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing the Community Reablement Services (CRS).

We were unable to review the care notes for our sample of ten CRS cases as they were stored manually in an off-site location. Therefore, we were unable to assess whether the care delivered was in line with the agreed care plan.

Audit rationale																
Why the Audit is in your 2024/25 Plan		Your Strategic Risk														
To ascertain whether appropriate controls are in place to manage the reablement function.		Residents are not supported appropriately through the reablement function which places financial restraints on other areas such as residential placements and care.														
Summary of our opinion																
Adequate Assurance See Appendix A1 for definitions X		<table><tr><td>Priority 1 (High)</td><td>-</td></tr><tr><td>Priority 2 (Medium)</td><td>3</td></tr><tr><td>Priority 3 (Low)</td><td>1</td></tr></table>		Priority 1 (High)	-	Priority 2 (Medium)	3	Priority 3 (Low)	1	<table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>N/A</td></tr><tr><td>Overall completion</td><td>30 April 2025</td></tr></table>	Actions agreed by you	100%	Priority 1 completion	N/A	Overall completion	30 April 2025
Priority 1 (High)	-															
Priority 2 (Medium)	3															
Priority 3 (Low)	1															
Actions agreed by you	100%															
Priority 1 completion	N/A															
Overall completion	30 April 2025															
Summary of findings																
Examples of good practice		Highest Priority Findings	Key root causes													
✓ The Council's website contained information and guidance on how to submit a CRS referral and who to contact ✓ Approval from the Panel of Service Managers was provided for five cases sampled where extension or a referral of care was required ✓ Automated daily service management performance data was pulled from Liquid Logic on a live Dashboard and shared with relevant stakeholders during the Hospital and Reablement Call over Report Meetings		• Staff training was incomplete staff and disciplinary action was not taken • Care notes were stored manually in an off-site location, and there are not quality assurance mechanisms in place	• The Team Lead does not have SAP access and therefore there is no automated way for the Team Leader to identify incomplete training • The disciplinary policy was not known widely • There was no method to document care notes digitally													



3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **IT Change and Problem Management** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and operating effectiveness of control framework for information technology (IT) change and problem management through the use of Halo Service Desk System

Audit rationale				
Why the Audit is in your 2024/25 Plan Previously audited area with “Limited Assurance” opinion issued and the introduction of Halo Service Desk System which has been used as a catalyst to help re-design this business process.		Your Strategic Risk If the system does not perform as expected or if there are unforeseen issues, it could disrupt and impact the effectiveness of the change and problem management.		Your Strategic / Tactical Objective Develop a Digital Strategy to outline the principles and guidelines governing the use of digital technologies (Source: Corporate Delivery Plan 2024-2026)
Summary of our opinion				
Adequate Assurance See Appendix A1 for definitions X		Priority 1 (High) - Priority 2 (Medium) 2 Priority 3 (Low) 2	Actions agreed by you 100% Priority 1 completion N/A Overall completion N/A	
Summary of findings				
Examples of good practice ✓ Different environments were set up for each phase, i.e., development, testing and production. ✓ The HALO system was used to manage IT changes and problem management, ensuring streamlined processes and effective resolution tracking without manual intervention.		Highest Priority Findings • Incomplete IT change management policy and process documentation. • Gaps in incident management process and ticket handling.		Key root causes • Oversight in maintaining comprehensive documentation can occur due to inadequate reviews on the existing policies and procedures. • Configuration issue in HALO system cause incorrect labelling of incident priority. • Lack of structured workflow for reviewing and approving Management Information (MI) for closure.

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Accounts Receivable (Sundry Debtors)** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for Accounts Receivables (Sundry Debtors). This was last assessed in January 2024 providing an Adequate opinion with three P2 and one P3 issues being raised. The recommendations from the last internal audit had not implemented when assessed.

Audit rationale																
Why the Audit is in your 2024/25 Plan		Your Strategic Risk														
To assess whether sundry debtors are managed in line with the Council's Financial Regulations.		Increased number of overdue invoices and bad debts which result in poor cash flow, affecting the Council's financial stability and growth.														
Summary of our opinion																
Limited Assurance See Appendix A1 for definitions X		<table><tr><td>Priority 1 (High)</td><td>1</td></tr><tr><td>Priority 2 (Medium)</td><td>2</td></tr><tr><td>Priority 3 (Low)</td><td>-</td></tr></table> <table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>April 2025</td></tr><tr><td>Overall completion</td><td>June 2025</td></tr></table>			Priority 1 (High)	1	Priority 2 (Medium)	2	Priority 3 (Low)	-	Actions agreed by you	100%	Priority 1 completion	April 2025	Overall completion	June 2025
Priority 1 (High)	1															
Priority 2 (Medium)	2															
Priority 3 (Low)	-															
Actions agreed by you	100%															
Priority 1 completion	April 2025															
Overall completion	June 2025															
Summary of findings																
Examples of good practice		Highest Priority Findings	Key root causes													
✓ Aged Debt Reports detailing the amount of outstanding debt per service were prepared monthly by the Deputy Corporate Debt Manager and signed off by the Corporate Debt Manager ✓ Write offs were processed on a quarterly basis per Directorate. Write offs were accompanied by a cover sheet that was signed by the relevant Assistant Director/ Head of Service, Corporate Debt Manager, Section 151 Officer and the Cabinet Member for Resources ✓ A Corporate Debt Recovery Strategy (2024) was in place and providing guidance on the process for debt collection		• The Council has a high level of debt	• A lack of resources in the Corporate Debt team and systems issues in SAP whereby Dunning is not being generated automatically													

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Delivery of New Council Homes** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To review the design and effectiveness of the control framework for the Delivery of New Council Homes.

Audit rationale																
Why the Audit is in your 2024/25 Plan Area of renewed focus due to government policy as well as high risk due to financial commitment necessary.		Your Strategic Risk New developments are entered into which are not financially viable.		Your Strategic / Tactical Objective Improving social housing and the private rented sector.												
Summary of our opinion																
Adequate Assurance See Appendix A1 for definitions X		<table><tr><td>Priority 1 (High)</td><td>-</td></tr><tr><td>Priority 2 (Medium)</td><td>1</td></tr><tr><td>Priority 3 (Low)</td><td>2</td></tr></table>		Priority 1 (High)	-	Priority 2 (Medium)	1	Priority 3 (Low)	2	<table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>N/A</td></tr><tr><td>Overall completion</td><td>31/03/2026</td></tr></table>	Actions agreed by you	100%	Priority 1 completion	N/A	Overall completion	31/03/2026
Priority 1 (High)	-															
Priority 2 (Medium)	1															
Priority 3 (Low)	2															
Actions agreed by you	100%															
Priority 1 completion	N/A															
Overall completion	31/03/2026															
Summary of findings																
Examples of good practice ✓ There are ProVal Appraisals completed during the appraisal process which assessed financial viability of the schemes in our sample (St Mary's Close, Nightingale Lane, Farrant Avenue, Remington Road and Watts Close). ✓ LBH has Performance Bonds or Guarantees in place for the five schemes tested. ✓ We confirmed for our sample of five schemes that the results of technical evaluations were checked by the Development team for any issues through the Gateway 1 reports, which includes a follow up section on design issues.		Highest Priority Findings • Project Risk Registers are not updated with sufficient frequency and not in line with the monthly Highlight Reports.		Key root causes • Management's view is that the risks and controls included in Monthly Highlight reports were sufficient to meet risk management obligations.												

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Homecare Services** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing Homecare Services.
The audit has not provided assurance over the process to tender for and onboard care providers. We also did not review the debt management processes for outstanding contributions as this was included as part of the 2024/25 Financial Assessment audit.

Audit rationale				
Why the Audit is in your 2024/25 Plan		Your Strategic Risk		
This area has not been subject to audit recently and there have been internal changes to the homecare arrangements		Residents' care needs are not met timely or appropriately, leading to the need for long term costly residential care.		
Summary of our opinion				
Adequate Assurance See Appendix A1 for definitions X		Priority 1 (High) - Priority 2 (Medium) 1 Priority 3 (Low) 1	Actions agreed by you TBC Priority 1 completion N/A Overall completion 1 April 2025	
Summary of findings				
Examples of good practice		Highest Priority Findings		Key root causes
✓ Pathways for referral were in place and can be accessed via the Council website ✓ Through a sample of five cases, we identified the following was documented in each Support Plan: - The services to be provided; - How the care needs will be met; - When the services will be provided; and - Who will provide the services.		• Unclear and undocumented care provider performance management arrangements		• Lack of clarity over performance monitoring arrangements and retained documentation

3. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Recycling** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing recycling within London Borough of Haringey.

Audit rationale				
Why the Audit is in your 2024/25 Plan To review effectiveness of monitoring the outsourced recycling function.		Your Strategic Risk Harmful impact on the environment.		Your Strategic / Tactical Objective A greener and low carbon Haringey.
Summary of our opinion				
Adequate Assurance See Appendix A1 for definitions X		Priority 1 (High) - Priority 2 (Medium) 1 Priority 3 (Low) 2	Actions agreed by you 100% Priority 1 completion N/A Overall completion April 2027	
Summary of findings				
Examples of good practice ✓ Monthly liaison meetings took place between management and Veolia, the Contractor. ✓ Website included recycling guidance for residents i.e., information on how to recycle different materials, reporting feedback and offering suggestions. ✓ Outreach to encourage recycling in specific communities such as collections arranged for the Jewish community over Passover and engagement with community groups such as Tottenham Voices and the Great British Spring Clean. ✓ The two recommendations raised in the 2021/22 Performance Indicators – Veolia internal audit were followed up and we confirmed they have been implemented.		Highest Priority Findings • Reliance on performance data provided by contractor (Veolia).		Key root causes • Reliance on performance data provided by contractor (Veolia).

4. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan that have a status of draft terms of reference (ToR) issued or beyond.

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Arrangements for LADO	Director of Children's Services	Final Report	June 2024	October 2024	December 2024	Substantial	2	-	-	2
Management of FOIs	Director of Culture, Strategy and Engagement	Final Report	June 2024	August 2024	September 2024	Adequate	5	-	2	3
Financial Assessment of Clients	Director of Adults, Health & Communities	Final Report	June 2024	December 2024	March 2025	Limited	12	3	6	3
Implementation of Panacea	Director of Finance	Final Report	June 2024	April 2025	July 2025	Limited	7	-	4	3
Governance over Delivery of Savings (x1)	Director of Finance	Final Report	July 2024	September 2024	December 2024	Limited	4	-	3	1
Children Provider Payments	Director of Children's Services	Final Report (additional work requested)	July 2024 / December 2024	October 2024 / February 2025	March 2025	Limited	5	-	3	2
Leisure Services Insourcing (pre-implementation)	Director of Environment and Resident Experience	Final Report	July 2024	February 2025	July 2025	Limited	6	3	2	1
Management of Staff Performance	Chief People Officer	Final Report	July 2024	September 2024	December 2024	Limited	5	3	1	1
Scheme of Delegation	Director of Finance	Final Report	August 2024	May 2025	July 2025	Substantial	2	-	-	2
New Operating Model - the Procurement Act	Director of Finance	Final Report	August 2024	October 2024	December 2024	Limited	3	-	3	-
Birchtree Landlords Fact Finding	Director of Environment and Resident Experience	Final Report	August 2024	September 2024	December 2024	N/A	-	-	-	-

4. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan that have a status of draft terms of reference (ToR) issued or beyond.

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Management, Monitoring and Collection of Income in Council	Director of Finance	Draft Report	August 2024							
Birchtree	Director of Culture, Strategy and Engagement	Draft Report	August 2024							
Lettings Fact Finding	Director of Placemaking and Housing	Final Report	August 2024	May 2025	July 2025	N/A	-	-	-	-
Planning	Director of Placemaking and Housing	Final Report	September 2024	October 2024	December 2024	Adequate	4	-	1	3
Corporate Performance and Intelligence and Change Portfolio	Director of Culture, Strategy and Engagement	Final Report	September 2024	January 2025	March 2025	Limited	8	-	4	4
Management over Gifts and Hospitality	Chief People Officer	Final Report	September 2024	November 2024	March 2025	Limited	6	-	5	1
Treasury Management	Director of Finance	Final Report	October 2024	February 2025	March 2025	Adequate	3	-	1	2
Management of Council Tax Reduction Scheme	Director of Environment and Resident Experience	Final Report	October 2024	January 2025	March 2025	Adequate	2	-	1	1
Review and Management of Off Contract spend	Director of Finance	Final Report	October 2024	February 2025	March 2025	Limited	6	3	3	-
Future Design of Waste Management Services	Director of Environment and Resident Experience	Final Report	November 2024	January 2025	March 2025	Substantial	2	-	-	2
Planned Maintenance - Kenneth Robbins and Stellar House	Director of Placemaking and Housing	Final Report	November 2024	April 2025	July 2025	Substantial	1	-	-	1

4. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan that have a status of draft terms of reference (ToR) issued or beyond.

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Deprivation of Liberty Safeguards	Director of Adult Social Services	Final Report	November 2024	February 2025	March 2025	Adequate	3	-	1	2
Management of Green Haringey	Director of Environment and Resident Experience	Draft Report	November 2024							
Cyber Governance and Risk Management	Director of Culture, Strategy and Engagement	Draft Report	November 2024							
Reablement	Director of Adult Social Services	Final Report	December 2024	February 2025	July 2025	Adequate	4	-	3	1
Pensions Investment Management	Director of Finance	Final Report	December 2024	February 2025	March 2025	Adequate	1	-	1	-
Delivery of New Council Homes	Director of Placemaking and Housing	Final Report	January 2025	April 2025	July 2025	Adequate	3	-	1	2
Homecare Services	Director of Adult Social Services	Final Report	January 2025	March 2025	July 2025	Adequate	2	-	1	1
Accounts Receivable (Sundry Debtors)	Director of Finance	Final Report	January 2025	March 2025	July 2025	Limited	3	1	2	-
Arrangements for Managing Contracts within Housing Services (Letting of Contract, Use of Waivers, Novation etc)	Director of Placemaking and Housing	Draft Report	January 2025							

4. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan that have a status of draft terms of reference (ToR) issued or beyond.

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Housing Repairs - Responsive	Director of Placemaking and Housing	Draft Report	January 2025							
Recycling	Director of Environment and Resident Experience	Final Report	February 2025	May 2025	July 2025	Adequate	3	-	1	2
IT Change and Problem Management	Director of Culture, Strategy and Engagement	Final Report	February 2025	May 2025	July 2025	Moderate	4	-	2	2
Regulatory and Enforcement Services	Director of Environment and Resident Experience	Draft Report	March 2025							
Sickness Management	Chief People Officer	Draft Report	March 2025							
Noel Park Pods Fact Finding	Head of Audit and Risk Management	Draft Report	May 2025		-					

Contact

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Statement of Responsibility

We take responsibility to London Borough of Haringey for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Report for: Audit Committee – 22 July 2025

Item number: 11

Title: Updated Corporate Risk Register

Report authorised by : Taryn Eves, Director of Finance

Lead Officer: Minesh Jani, Head of Audit and Risk Management
Tel: 020 8489 5973
Email: minesh.jani@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

1.1 The Audit Committee is responsible for providing assurance about the adequacy of the Council's Risk Management Framework and Policy and monitoring the effectiveness of systems for the management of risk across the Council and compliance with them as part of its Terms of Reference.

1.2 Under its terms of reference, the Committee is also required to note the Council's Corporate Risk Register and be satisfied appropriate mitigating actions are being completed in a timely manner.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Audit Committee is asked to note the Corporate Risk Register as at 31 May 2025, attached at Appendix A.

4. Reasons for decision

4.1 The Corporate Risk Management Policy and Strategy sets out the assurance framework of the Council; how risk management fits with other management and operational functions; and the roles and responsibilities of members and officers in the risk management process. The Audit Committee is responsible for reviewing and approving the Risk Management Policy as part of its Terms of Reference and the committee approved the Policy in October 2024. The Committee also receives regular updates on the Council's Corporate Risk Register and the accompanying guidance (attached at Appendix B).

5. Alternative options considered

5.1 Not applicable. The requirement to have a corporate risk management policy and strategy is recommended best practice and forms part of the overall assurance framework of the Council. Further, the identification of risks as part of a risk management process is considered essential as part of a good governance framework.

6. Background information

- 6.1 The Corporate Risk Management Policy and Strategy has been reviewed to incorporate changes to the Council's approach, to ensure it is fit for purpose for the future and meets current good practice requirements.
- 6.2 The full Corporate Risk is attached at Appendix A. The Corporate Leadership Team last reviewed and discussed the full register on 12 June 2025. The profile of the Council's residual risk is shown in the table below.

I M P A C T	Catastrophic (5)			6,8	2,12, 9	1
	Severe (4)		8	11, 13	5	
	Material (3)			7		
	Minor (2)					
	Negligible (1)					
		Rare (1)	Unlikely (2)	Possible (3)	Probable (4)	Almost Certain (5)

LIKELIHOOD

- 6.3 The most significant "Red" risks and changes to the corporate risk register are as follows:

Risk 1 - Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings – the forecast score has increased from "20" to "25", indicating this risk is close to becoming an issue.

Risk 2 - Non-delivery of transformational change due to lack of corporate change functions. The risk wording has been updated with emphasis on lack of corporate change.

Risk 9 - Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).

Risk 12 - Unable to attract and retain scarce skills or those in high demand. The Council does not have the appropriate skills, capacity and capabilities in place and/or recruited to deliver the Corporate Delivery Plan effectively.

Risk 5 - Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards

- 6.4 The most significant “Amber” risks but should they occur, they could be catastrophic for the authority: -

Risk 6 - Serious Cyber Security Incident leading to all or multiple council systems shutdown and/or council unable to undertake business and/or significant ICO fine & reputational damage due to data breach, malware outbreak, phishing or ransomware attack. The Impact is “5” and Likelihood is “3”.

Risk 8 - Adequate processes are not in place to safeguard vulnerable children and adults within the borough who were or should have been in receipt of services, either from the council or a partner agency. The Impact is “5” and Likelihood is “3”.

Risk 4 - Potential health and safety incident affecting employees or member of the public. The Impact is “5” and Likelihood is “3”.

7. **Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes**

- 7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key priority areas.

8. **Carbon and Climate Change**

- 8.1 There are no direct Carbon implications arising from this report.

9. **Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Legal and Governance, Equalities)**

- 9.1 Finance and Procurement

Finance

There are no direct financial implications arising out of this report as the work associated with updating and monitoring the Council’s corporate risk approach is included within service areas’ revenue budgets.

The risks included in the corporate risk register could have significant financial implications for the Council if they were to materialise. Regular review and monitoring of existing and emerging risks helps to mitigate any potential financial implications.

Procurement

Strategic Procurement note the contents of this report and have been consulted on the relevant audits where required.

Actions arising related to procurement and the letting of contracts are contained within the relevant audit reports and will be actioned accordingly.

9.2 Director of Legal & Governance – Haydee Nunes De Souza, Head of Legal Services

Approval of the Corporate Risk Management Policy is a matter for Audit Committee, whose terms of reference and statement of purpose provide –

The Committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Accordingly, there are no legal reasons why Audit Committee should not approve the recommendations in this report.

9.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

There are no direct equality implications arising out of this report.

10. Use of Appendices

Appendix A – Corporate Risk Register as at 31 January 2025

Appendix B – Risk Management Guidance

11. Background Information

None

CORPORATE RISK REGISTER

Latest Review - 31/05/2025

No.	Risk Event Description	Risk Owner	Current Impact	Current Likelihood	Current Risk Score	Proximity	Mitigating Actions In Place	Future Impact	Future Likelihood	Future Risk Score	Action Owner(s)	Future Actions / Update	Date
1	Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings.	CLT Corporate Director of Finance and Resources	5	5	25	Short and Medium term	The Council’s financial position is challenging and necessary action has taken place to protect its long term financial sustainability and reduce reliance on Exceptional Financial Support. During 2024/25 this has included: • Establishing a set of budget and financial planning principles. • An open and transparent relationship across the organisation, including with CLT and Members for organisational ownership of the financial position. • Review of financial pressures increasing the use of data and evidence to forecast pressures, scenario planning and a more realistic view of risks with the estimates. • Review of all current and proposed savings to test their validity and assurance on delivery. • Improvement in forecasting and a focus on delivery of savings. • Review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. • Regular review of all assumptions through the annual budget setting process as new information comes to light, up to the point of publication. • Review of the Capital Programme which is undertaken annually as part of the budget process and its governance. This includes the newly established Strategic Capital Board to oversee the development, monitoring and reporting of the whole programme and improve the decision making of all schemes • A move towards medium term financial planning and starting the process earlier by delivering Budget Series 2025 over the course of 3 months (April to June). This was a two-day Budget Sessions each month with a focus on increasing awareness and accountability of Leadership Network and time over the Budget Series for identifying budget proposals and delivery plans for 2026/27 and beyond. There was also focus on providing assurance on the existing savings for 2025/26.	5	5	25	CLT Corporate Director of Finance and Resources	Future actions: External support to: - provide Strategic Advice to the S151 and Leadership Team, aligned to the financial recovery and response plan and the MTFS. - help the delivery of Adult Social Care savings and help deliver key MTFS cross cutting savings projects such as Procurement and Contracts Further strategic decisions will be needed to determine how best to utilise limited resources to deliver the priorities in the CDP. Through budget planning we will give Members choices for them to prioritise. This will also mean providing assurance of good value for money and our service provision is in line with others (costs and quality). Continue to Lobby and engage Government through various channels for future funding, provide evidence on the importance of relative need in funding allocations. This includes through consultation responses, various professional networks and MPs.	31/3/2025 and on-wards
1					25		Regular review of ‘committed’ reserves and other historic balances to identify any which can be transferred to manage risks and uncertainties. A full financial response and recovery plan has been developed and overseen by the Chief Executive and Corporate Director of Finance and Resources which has established an organisation emergency response to the financial position. The emergency response consists of: - Financial Recovery GOLD , bi-weekly meeting of Corporate Directors, chaired by the CEX to provide accountability and assurance in respect of progress against the delivery of the plan and the savings -Financial Recovery SILVER, a weekly meeting of Directors to organise the practical delivery of the Plan across the council and held to account on the progress by Recovery GOLD -Financial Recovery Cabinet Group meet 6-weekly, chaired by the Leader to ensure clear political oversight of the emergency procedures In addition to the Recruitment Board, a Spend Control Panel has been put in place to review council discretionary spend and commitments for amounts of £1,000 and above. This includes spend on Purchasing Card, Internal Payments Requests, one-time vendors, variations to contracts and all other purchase orders. The emergency arrangements have been in place since early 2025 to deliver the plan which overall objective is to reduce the reliance on EFS in the future and improve the Councils financial resilience and sustainability. Link to response and recovery plan to be inserted when available. More structured communications plan with the whole organisation on the position and changes required i.e. Dedicated Web Page on the Financial Recovery (Taking control of our future Intranet) , Let’s Talk Sessions, Leadership Network Briefings/Updates etc			25			

2	Non-delivery of transformational change due to lack of corporate change functions	All	5	4	20	Short and Medium term	The Change Framework for Category A programmes was established following CLT approval in January 2024 and sits with the Digital and Change team under the Chief Digital and Innovation Officer. This Framework has established three change functions that cover the areas of Corporate, People and Place. • Led by 3 'Heads of Change', they consist of a core team of permanent officers who are configured to deliver outcomes and impact. • Alongside the permanent roles, there will be the ability to flex up and down according to demand. • Equal focus given to implementing change, service redesign and benefits as well as traditional project management. • Standardisation across all three areas with shared business resources. But each area can tailor their approach to the needs of their services • Each Head will manage their project pipeline, resourcing, reporting and risk management. Exception reporting will continue to come to CLT. • This function focuses on Category A projects, but a proposal is being taken to SLT to review these programmes in light of the savings the council needs to make. • Regular reporting of projects status to CLT. • Through 2024 we were operating under capacity, but two teams are now fully recruited and inducted, and a portfolio of work has been allocated. • Core funding agreed for 25/26, funding in future years tbd • Change Delivery Group in place and validating reporting over past year. • All live Cat A programmes and projects properly documented and governed. • Financial benefits tracked and under/over performance clearly understood. • Initial work to draw in other key internal delivery partners underway (comms, HR, digital, finance etc).	4	3	12	Chief Digital & Innovation Officer	In line with the agreed managing change framework, a summary of all Category A projects are reported for discussion/review at the Change Delivery Group (monthly) and CLT (quarterly as part of performance monitoring which also includes Corporate Delivery plan, Capital projects and Finance /MTFS). • 'Heads of Change' have been appointed and recruitment is underway to create/complete teams under 'Corporate' and 'People'. HoC Place only commenced last month so recruitment of time likely completed by Apr 25. • Teams will lead/manage/oversee delivery of Cat A projects according to area (e.g. Corporate/People/Place). • Each Head will manage their Cat A project pipeline, with exception reporting continuing to go to CDG and CLT. • Adoption of this structure is being phased due to in flight commitments (with Children's due to transition from Apr 2025). • Change Framework and criteria being refreshed after annual review and proposals to CLT on Feb 20th 2025 • New list of ideas being assessed for Cat A and Cat B suitability – with MTFS boards proposed for each Directorate to ensure holistic monitoring. • Assessment of income generation and invest to save ideas being carried out to spot links to Cat A/B, identify duplication and ensure feasibility. • Resource planning taking place to ensure appropriate support to deliver at pace. This will require support from Finance to provide alternative funding if HRA recharge ceases. • Consolidation of further CIPFA. Commercial Gov and 31Ten recommendations planned for.	Apr-25
												• Change Delivery Group to have Board status to ensure sufficient challenge and grip across all Cat A/B work. • Capacity building offer to organisation to be launched ready for new financial year. • MTFS targets will require robust diligence/challenge to ensure they remain realistic to deliver and there should be a vehicle to reforecast savings for future reporting	
12	Unable to attract and retain scarce skills or those in high demand. The Council does not have the appropriate skills, capacity and capabilities in place and/or recruited to deliver the Corporate Delivery Plan effectively.	Corporate Director Culture Strategy Comm	5	4	20	Short and Medium term	New Workforce Development Strategy 2024 has been approved and launched in September 2024. Review of the use of Agency Workers use is ongoing and there is an accelerated recruitment protocol in place. Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required. Template and workshops designed to assist Directors in formulating workforce action plans New approach to Manager training has been designed and the pilot has launched in September 2024, which will inform future activity. Human Resources reviewed additional employee benefits New purchasing annual leave scheme launched in April 2025	5	3	15	Chief People Officer	Directorate workforce plans are being developed during 2025, this will include specific retention and recruitment plans to ensure suitable resourcing and succession planning New recruitment methods, such as video applications, are being investigated for future potential.	December 2025 Ongoing March 2026
9	Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).	Corporate Director Env & Resident Exp	5	4	20	Medium term	Responding to the Climate Emergency is one of the council's corporate priorities and is monitored through the Corporate Delivery Plan (CDP). Mitigations include producing long-term strategies and plans to reduce the risk and consequences of climate change in the borough. A range of strategies and policies exist detailing the Council's approach to mitigate against the impact of Climate Change, such as the Local Plan, the Haringey Climate Change Action Plan (A Route Map for a Net Zero Carbon Haringey), Pollution Control - Contaminated Land, the Flood Risk Management Strategy, Parks & Green Spaces Strategy and the Affordable Energy Strategy.	5	4	20	Programme Director Wellbeing & Climate	1) Develop a Risk Map and Action Plan (set out within CDP) for the Council and the Borough. 2) Integrating in the London Council's Resilience Toolkit including: * Building on Heatwave JSNA. * Highways Flood Maps. * Emergency Planning Response. * Community outreach on adaptation measures. * Building in community resilience to events. 3) Engagement with the community through the Haringey Climate Partnership, facilitating local climate action. 4) Joint work with Public Health on a Climate Adaptation and Resilience Plan.	31-Oct-25

5	Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards	Corporate Director Adults Housing Health	4	4	16	Short and Medium term	Housing improvement Plan in place as agreed by Cabinet April 23 in place and delivery overseen by housing improvement Board Agreed a target to achieve housing decency by March 2028 with the Regulator and exceeded our interim target of 1000 homes made decent for 23/24 We also achieved our target of developing a new Housing Asset Management Strategy, agreed by Cabinet December 2023, including £627m of investment in the stock over the next 10 years. This will be delivered through 4 new partnering contracts We have procured and are implementing a new compliance management system that will remove the manual data handling, manipulation and human error risks associated with using spreadsheets of complex data management. The system is expected to be fully operational by the end of December 2024 to manage the main 6 compliance areas of Gas, Fire, Water, Electric, Asbestos & Lift safety. The Housing Quality Network has been commissioned to carry out a mock Housing inspection of Housing Service's compliance with the Regulator's consumer standards, to assist with action planning and preparation for housing inspection in Autumn 2024 A project team has been established to assist with action planning and preparation for inspection. Project leads are Programme Manager (HSBS) & Transformation Portfolio Manager (Housing) Cross-cutting Senior Management steering group with representation from across the Council established from July 24 to oversee preparation for inspection and action planning, to meet 6 weekly. The Repairs Board oversees a number of workstreams in the Housing Improvement Plan to improve the repairs service to residents.	4	2	8	Corporate Director Adults Housing Health & Housing and Operational Director - Housing & Building Safety	We have made 791 homes decent this year, exceeding the target of 700. Mitigating actions to achieve target include planned internal, Fire Door Replacement and Electrical Works and a programme of validation surveys. We completed our 3-year Stock Condition Survey in May 2024 with 75% of the stock surveyed. The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed with the Contract Award report due to go to Cabinet in June. Following mobilisation go live is expected in October 2025. This is a key factor to support the achievement of 100% decency by 2028 in line with the asset management strategy agreed by cabinet in 2023. All 'Big 6' (FRA, EICR, LGSR, Asbestos, WRA and LOLER) modules are set up on the new compliance system, with full inspection programme information uploaded. All FRA actions have been integrated into the system, removing the use of spreadsheets to manage actions. Training with users is ongoing around receiving and managing actions. Regular sessions have been arranged with officers running the 'Big 6' programmes to ensure that inspection certificates are being uploaded to the system and that reconciliations are being carried so that the programme is up to date. Integration with NEC/Northgate is now being progressed to update C365 with new property information, duplicates, voids etc. Further development of the reporting dashboards to present future KPI information. We will also look to implement additional modules for other compliance areas. June 2025.	
5 (Cont)					16				8		Development of the data integration with NECH and our reporting dashboards is on-going. We are also developing the Building Safety Case module and QR Coding of all communal fire doors. Due to the need to re-align all lift assets with our lift maintenance programme, we are asset tagging and re-numbering all our residential, communal passenger lifts. The lift asset tagging and re-numbering, and fire door QR coding are anticipated to be completed by the end of June 2025. The HQN mock inspection of the housing service took place Sept/October 2024. Action plan developed in response to identified areas of improvement which is reported to the Member Housing Improvement Board six weekly, with the action plan having been overseen by the board since March 2025. Structural changes to the Housing Repairs Service delivery model to increase ownership and accountability - June 2025. Changes to the Repairs Management structure have been implemented with permanent Team managers now appointed. A high-level review of the Housing Repairs service delivery model was undertaken in March 2025, with a report recommending an options appraisal of delivery models scheduled for July 2025 Cabinet. This initiative is to reduce costs, improve efficiency, and achieve better value for money. Work is also under way on procurement of suitable supply chain provision for the short and longer-term to ensure future WIP is kept to a minimum and improve both jobs completed in target time and customer satisfaction. Damp and Mould CRM IT system to provide better reporting and understanding of all cases that have damp and mould - December 2025	Dec 2025	
6	Serious Cyber Security Incident leading to all or multiple council systems shutdown and/or council unable to undertake business and/or significant ICO fine & reputational damage due to data breach, malware outbreak, phishing or ransomware attack.	Chief Information Officer & Corporate Director of Finance and Resources	5	3	15	Short and Medium term	Digital architecture reviewed and key controls established. Systems we manage are all backed up so we can revert to a clean version - albeit with some loss of work/updates (however sometime infection is also on the backups due to "sleeper" viruses). Regular internal audits to seek independent assurance Technical solutions for firewall , firmware/soft/ware/hardware solutions are in place. Mandatory training for all staff on Cyber Security Awareness (but not mandatory). Staff Awareness on cyber security via regular posts by Digital Compliance Manager. Pentest Partners procured to provide technical expertise in the management / control of a cyber event. Cyber-Security in My Learning is Mandatory.	5	3	15	Corporate Director of Finance and Resources / SIRO / Director Digital and Change	We can put in place controls, testing and all the security measures we can to reduce the likelihood we will be subject to a major attack, but the risk and impact will never go away. As a government body we will always be a target for attack and the threat vector is changing constantly. We will however: - Clarify the process and procedures for when a major incident occurs. - Continue to raise awareness in the organisation. - Continue to migrate data and platforms to the cloud - Seek independent assurance from internal audit - Explore backups for our data held in Microsoft, (OneDrive, SharePoint, Teams etc) - We are only available to monitor events during office hours via our SIEM and Microsoft /Palo Alto admin pages. We need to replace our SIEM (expires December 2025 & not fit for purpose) to improve our detection of "odd" events and as far as possible automate reactions, such as texting an on-call employee. - Improve our knowledge and approach to Zero-Day vulnerabilities linked to systems we use are very likely to be exploited and could be undetectable, until the hacker does something deliberate or accidental that is visible to us.. - Security Team conduct Phishing simulations – a proportion of staff fall for them each time. Unfortunately many are repeat-susceptible and the percentage seems to have plateaued. Will look at the next stage of comms and training to improve this. - Develop an AI policy that takes into account emerging AI platforms and our security.	31/03/2025

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8	Adequate processes are not in place to safeguard vulnerable children and adults within the borough who were or should have been in receipt of services, either from the council or a partner agency.	Corporate Director of Children's Services Corporate Director Adults Housing Health	5	3	15	Medium Term	A developed quality assurance system is constantly reviewed Quality Assurance Framework in place Performance monitoring on national KPI's every quarter with good outcomes Strong Learning framework in place from deaths of service users with good involvement of family members or representatives Strong focus on early intervention and safeguarding prevention Arrangements in place to mitigate the risk of death or serious injury to a child arising from abuse or neglect, in addition to those covered above, include caseload monitoring, quality assurance activity including case audit, maintaining low levels of vacancies for social workers. Multi-Agency-Safeguarding-Hub, Local Safeguarding Children Partnership (LSCP) Annual Report; Child Protection Report; Quality Assurance team in Adults, reviewing contracted services and council services. Adults and Children safeguarding - Mandatory safeguarding training for all staff. Positive assurances from external inspections of Children's Services. Adults - The CQC rated Safeguarding as 'Good'. They highlighted the recent changes made to pathways to improve the experience not meeting s.42(2) thresholds. The role of the Safeguarding Adults Board was highlighted for its positive partnership approach to strategic safeguarding across the borough. of residents including increased response times. Strong practice in 'Making Safeguarding Personal', positive support for practitioners through training and workshops, good multi-agency working and preventative interventions for those residents Positive assurances from external inspections of Children's Services.	5	2	10	Corporate Director of Children's Services Corporate Director Adults Housing Health	ADULTS Adults - A robust adults board is in situ and will continue to provide assurance for multi-agency management. Multi-agency systems and pathways are in place to ensure that clear provision and support is provided where necessary. Policies, procedures and training matrix, demonstrate high levels of efficiencies in this area. Additionally, our newly implemented ASC Improvement Board and associated governance will support continuous improvement in this area. CHILDRENS Ensure thresholds clearly understood by all professionals. Opportunities provided for shared learning through audits and training events/conferences. Ongoing training opportunities provided to frontline staff via children's academy and other external offers. Regular supervision is provided to staff to ensure all work is reviewed by managers on at least a monthly basis. Ensure competent and timely completion of assessments, conferences and reviews completed in line with statutory guidelines. Checked Monthly Ensure all performance remains at least in line with national and statistical neighbours through benchmarking activity. To be checked weekly, monthly or annually depending on the indicator. Regular audits are undertaken as part of our quality assurance framework. This gives an additional lens on practice and allows strengths to be noted and areas for improvement to be considered and addressed by managers. Advise and check that maintained schools have risk assessments in place, covering all safety matters that pertain to children, young people and staff.	31/3/25
11	Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).	Corporate Director Finance and Resources	4	3	12	Medium term	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains focused Action plans, based on the SAMPIP objectives. Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings. Progress is then taken through our property governance process on a monthly basis. Reporting on statutory compliance is provided quarterly. The transformational nature of this work means the Corporate Property Model, which is fundamental to the implementation of the action plans; is part of the councils change programme, reported monthly and to Corporate Leadership Team on a quarterly basis. Internal Audit resources are allocated to monitor and report independently on progress. An annual update of the progress against the SAMPIP action plans is taken to cabinet. As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.	4	2	8	Director for Capital Projects & Property	Implement the Property Improvement Plan. Review actions in the improvement plan and determine whether updates required.	31/012/2026
13	Integrated delivery models for local health & care services does not deliver	Corporate Director Adults Housing Health	4	3	12	Medium term	The CQC inspection rated Partnership and Communities as 'Good'. The report highlighted strong collaboration with various partners, including the Integrated Care Board (ICB), health services, and the Voluntary, Community, and Social Enterprise (VCSE) sector. There were clear structures and roles within the Haringey Borough Partnership (HBP) and Health and Wellbeing Board support shared objectives and strategic alignment. Teams like the Integrated Reablement team and Multi-Agency Care and Coordination Team (MACCT) work closely with health partners to provide coordinated care, reduce hospital admissions, and support independence. The local authority engages with the VCSE sector to understand and meet local needs, supporting grassroots organisations and involving them in decision-making processes. Integrated services and strong partnerships have led to improved care coordination and better outcomes for people, though there is still room for enhancing community engagement and coproduction efforts.	3	2	6	Director - Adult Social Care	Ongoing regular communication and engagement with ICB, health services, and the Voluntary, Community, and Social Enterprise (VCSE) sector to align goals and expectations. Clearer pathways and processes under development to ensure continuous learning opportunities related to integrated care practices and system navigation. Additionally, our newly implemented ASC Improvement Board and associated governance will support continuous improvement in this area.	31/03/2025

3	Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.	All	3	3	9	Long term	The main concerns are rising cost of living, recovery of the economy from Covid-19, and the overall economic environment, particularly inflation and interest rates increases. Steps taken so far are: Establishment of a Cost of Living Support to provide advice, support and access to services to residents (https://www.haringey.gov.uk/community/here-help-financial-support-residents?utm_source=Media&utm_medium=Press%20release&utm_campaign=Financial%20Support%20Helpline%20HtH); • Connected Communities is a programme designed to improve access to council and voluntary support in Haringey • Close monitoring of inflationary pressures and the impact on contracts and services; • Continued monitoring of impacts on construction costs and supply chain • Review of Business Continuity Plans; • Work across services on plans to support the local economic recovery, which includes a focus on supporting local business and employment; • considering the impact of demand led services in to the medium and longer term from Covid-19 and changing economic conditions; • Identify inequalities within the borough that have been exposed through Covid-19, and who will be most impacted by the rising cost of living and to address these as part of the Recovery Framework. • Continuous monitoring of the economic environment, including through our Treasury advisors, Arlingclose, other advisors and through professional networks.	3	3	9	Corporate Director of Finance, Chief Executive and CLT		on-going
7	Failure to transform insourced leisure services including culture and operations to improve performance	Corporate Director Env & Resident Exp	3	3	9	Short term	Insourced workforce being restructured onto Haringey terms and conditions - opportunity to address culture change; Capital works transformation programme in place - phase 1 complete and phase 2 planned. Recruitment to vacant lifeguarding posts complete - improves service reliability and opening hours Management resource capacity being created through restructure.	3	2	6	Programme Director Wellbeing & Climate	Governance for all related workstreams is now in place including a Wellbeing & Climate Board and a steering group. Leisure Transformation Programme in development following appointment of Leisure Transformation Manager. Management restructure nearing completion which creates more capacity to deliver transformation and harmonise workforce. Culture change programme being developed with HR, alongside restructure of insourced workforce. Performance management indicators for the service developed, in line with industry leisure standards. Re-procurement of leisure management system underway to provide better customer journeys and improved commercialisation opportunities.	31/10/2025
4	Potential health and safety incident affecting employees or member of the public.	Corporate Director Finance and Resources CLT	4	2	8	Short & Medium term	Health and Safety arrangements policy in place. Arrangements also in place for the for directorates to carry out risk assessments and assess risk exposure for staff. All reported incidents are reported and the H&S team monitor the incidents. A corporate Health, Safety and Wellbeing Board in place to receive reports from directorate Health, Safety and Well Being Boards every quarter and receive information from the Health and Safety team.	4	2	8	Corporate Director Finance and Resources CLT	Development and implementation of a new Corporate H&S Strategy.	31/12/2024

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Guidance

This document has been developed as a generic template for all risks managed within Haringey Council.
It should be adopted by the risk owners.

Appendix B

Definitions

A **Risk** is 'uncertainty of outcome'. Something that may happen and could throw the programme off track.
An **Issue** is 'a concern that cannot be avoided'. Something that has happened or are current situations that are a cause for concern now.
A **Threat** is 'a factor which could lead to a risk being identified'.

Risk likelihood

Probability	Definition	Score	Likelihood percentage
Almost Certain	Is almost certain to occur	5	95%
High	Is likely to occur	4	75%
Medium	Is as likely as not to occur	3	50%
Low	May occur	2	25%
Very Low	Unlikely to occur	1	5%

Definitions of risk impact classifications

Impact	Impact on cost	Impact on quality	Impact on time	Impact on savings realisation	Score
Catastrophic	Increased costs threaten viability of the project.	Project outcomes effectively unusable.	Delay jeopardises viability of the project.	>20% project cashable savings at risk	5
Major	Requires significant additional	Failure to meet the needs of a	Failure to meet key deadlines in	15%-20% project cashable	4
Moderate	Requires significant additional	Significant elements of scope or	Delay affects key stakeholders	10%-15% project cashable	3
Minor	Requires some additional funding	Failure to include certain 'nice to	Slight slippage against key	5%-10% project cashable savings	2
Insignificant	Variations manageable within	Slight reduction in quality/ scope	Slight slippage against internal	< 5% project cashable savings at	1

Risk Scoring and Matrix for RAG Status

		Probability				
		Very Low	Low	Medium	High	Almost Certain
Impact	Catastrophic	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Minor	2	4	6	8	10
	Insignificant	1	2	3	4	5

Proximity Rating. You should assess the proximity of

Immediate – within 1 month

Short term – within 2 - 5 months

Medium term – within 6 -12 months

Long term – greater than 12 months

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Report for: Audit Committee 22nd July 2025

Item number: 12

Title: Anti – Fraud and Corruption Progress Report Quarter Four 2024/25

Report authorised by: Taryn Eves – Director of Finance

Lead Officer: Minesh Jani – Head of Audit & Risk Management
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0208 489 5973

Ward(s) affected: N/a

**Report for Key/
Non-Key Decision:** N/a

1. Describe the issue under consideration

This report details the work undertaken by the in-house resources in the Audit and Risk team and communicates a fourth quarterly update on completion of the work plan for 2024/25. This performance data and the other three reports from 2024/25 are summarised and included in the overall Annual Audit Report which includes the Head of Internal Audit Opinion.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee is recommended to note the activities of the team during quarter four of 2024/25.

4. Reasons for decision

The Audit Committee is responsible for monitoring the effectiveness of the policies on Anti-Fraud and Corruption and receiving assurance with regard the Council's internal control environment and mechanisms for managing fraud risk. To facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Audit Committee with regards Anti-Fraud & Corruption.

5. Alternative options considered

Not Applicable.

6. Background information

The information in this report has been compiled from information held by Audit & Risk Management.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes.

The Audit & Risk team makes a significant contribution through its pro-active work in ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all strategic priority outcomes.

8. Carbon and Climate Change

9. Statutory Officers comments (Director of Finance & Resources (procurement), Director of Legal and Governance, Equalities)

Finance

There are no direct financial implications arising from this report.

Procurement

There are no direct contract and/or procurement implications arising from this report.

Legal

The Director of Legal and Governance has been consulted in the preparation of this report, and in noting the progress made with delivering the Audit Plan, and the activities undertaken in relation to risk management and anti-fraud, advises that there are no direct legal implications arising out of the report.

Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.
- advance equality of opportunity between people who share those protected characteristics and people who do not.
- foster good relations between people who share those characteristics and people who do not.

The Audit & Risk team is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010 and this is built into the team's operational procedures. Ensuring that the Council has effective counter-fraud arrangements in place will assist the Council to use its available resources more effectively.

10. Use of Appendices

Not Applicable

11. Background papers

Not Applicable

12. INTRODUCTION

- 12.1 This report covers the period from 6 January 2025 to 4 April 2025 and summarises the work of the Audit & Risk Service in relation to anti-fraud and corruption.
- 12.2 The work of the team is driven by the Council's Anti-Fraud, Bribery & Corruption Strategy which was reviewed in September 2024. The Strategy is supported by a risk assessment and operational work plan, which is annually reviewed. More information is provided in section 13 of the report.
- 12.3 The Fraud resources within the Audit & Risk Service consists of a Head and Deputy Head of Audit & Risk and six Fraud Investigators. Resources available for Anti-Fraud, Corruption and Bribery work total circa 6.5 FTEs.
- 12.4 Fraud risk is considered when scoping all audit assignments, undertaken by Mazars, and where there is a high inherent risk of fraud in the system and process additional focus is included in the scope. The in-house resource investigates issues that arise, or other risk areas identified in the strategic audit planning. The results of all this work feeds into our assessment of fraud risk in the council.
- 12.5 Annually the governance of the organisation is reviewed, and this informs the Annual Governance Statement, which was presented to Members in July. This review considers the system of internal control which helps to inform our overall risk assessment. The Annual Report and Head of Internal Audit Opinion outlines weaknesses in internal control. There are several areas of the council where our first and second line of defence control are not robust enough to prevent and detect fraud.

13. Risk Assessment 2024/25

- 13.1 There have been no changes to our fraud risk assessment in quarter four. A full review will be undertaken to inform the work plan for 2025/26.

14. Anti-Fraud & Corruption Work Plan for 2024/25

- 14.1 The review of the Anti-Fraud, Corruption and Bribery Policy and Strategy in quarter two has created an action plan for 2024/25 to refresh and create procedural and guidance material for stakeholders to ensure the service complies with good practice. The team had a target of March 2025 to complete this work, however the on-going pressures on the team have diverted resources to reactive audit and fraud tasks and this action plan rolls forward into 2025/26.
- 14.2 The team's work plan this year included proactive work relating to:
- **National Fraud Initiative (NFI)** the team have worked with services to ensure that the results of the NFI and reviewed and acted upon within the council, a more detailed update is in 15.15.

- **Temporary Accommodation** this was carried over from 2023/24 – after a rescoping of the project work is now well underway and outcomes will be reported throughout 2025/26.
- **Hidden Assets in Financial Assessments** again this was a project carried over from 2023/24 - this work is put on hold, whilst management tackled control issues which were barriers to successful data driven fraud work. This will be a project for 2025/26 once follow up audit and risk work confirm that more robust processes across teams, are in place and operating effectively.
- **Procurement due to the fraudulent activity identified in 2023/24.** An analysis of all 2023/24 spend has been undertaken to determine if other similar frauds have occurred. Our work found none, there was some non-compliance noted in the analysis; however, it did not present significant risk to the council. Initial planning for the 2024/25 analysis of data was also completed in quarter 4.
- We have yet been unable to complete the work regarding the **Use of Death List information** which was planned in to try to ensure that the Council has the information and promptly stops services no longer required, preventing those identities, public funds, and properties from being misused. The team have however completed proactive work and investigated all NFI matches relating to deceased residents and service users, with positive results. We continue to identify individual cases where services or payments are still being made post death as part of our daily case work and these are communicated to management and tracked until actions are complete. More information on outcomes is later in the report 15.15/16.

14.3 This was a challenging proactive plan for the year but all high-risk areas where work is needed from both the fraud and audit perspective. As noted above, reactive workloads are putting pressure on our resources available to deliver the proactive work.

14.4 As part of our work to prevent fraud the team have continued in quarter four to also support, via advice and or training, other council teams to better utilise intelligence checks as part of application processing or financial / service assessment. Ensuring adequate fraud prevention activity is embedded in processes will be central to the delivery of our strategy in 2025/26.

15. ANTI-FRAUD ACTIVITY

15.1 The team undertakes a wide range of anti-fraud activity but has two key performance indicators to monitor its work relating to tenancy fraud and the right to buy fraud. After a downturn in outcomes because of the impact covid had on Housing processes the team saw a return to pre covid levels of performance in 2023/24. 2024/25 has seen a dip in outcomes with regards the anti-money laundering outcomes.

15.2 Financial values are assigned to these outcomes based on the discounts not given and the estimated value of providing temporary accommodation to a family. The Audit Commission, when in existence, valued the recovery of a tenancy, which has previously been fraudulently occupied, at an annual value

of £18,000, as noted above this related to average Temporary Accommodation (TA) costs. This figure was then revised to £42,000 by a network of housing and fraud bodies and was at the time supported by the Cabinet Office. Most recently the Cabinet Office has valued a property recovery at £78,300.

15.3 Table 2 - Local Performance measures – anti fraud activity

Performance Indicator	Q4	Year	Annual Measure
Properties Recovered	14	42	50
Right to Buys prevented	18	49	80

15.4 Tenancy Fraud – Council properties

15.5 The Corporate Anti-Fraud Team works with Housing colleagues to target and investigate housing and tenancy fraud. Housing continues to fund 0.6FTE of Tenancy Fraud Officer co-located part time within the Corporate Anti-Fraud Team, however this post in the main undertakes proactive fraud prevention checks for housing. There are plans to do cross team proactive tenancy fraud campaigns and use data matching however this work will not be completed until the Housing Improvement Programme has improved systems, process, and technology across Housing services. It is hoped these process and control improvements, and the planned proactive work will help to not only detect fraud but also deter it, in future.

15.6 The Corporate Anti-Fraud Team works with the Housing team to identify the most effective use of fraud prevention and detection resources across teams to enable a joined-up approach to be taken, especially where cases of multiple fraud are identified e.g., both tenancy fraud and right to buy fraud. Circa half the live cases were generated from proactive work by the team: attending gas safety's; data matching or proactive fraud work the other half mainly from internal officer referral, tenancy officers, and small number from members or residents. Of the 452 ongoing investigations 262 currently sit with other teams for action and 190 are live investigations. The team have no live housing fraud prosecutions currently but there are four cases where prosecution is the central objective of the investigation plan.

15.7 Table 3 - Tenancy Fraud Activity and Outcomes

Opening Caseload	435	
New Referrals received	55	
Total		
Properties Recovered		14
Case Closed – no fraud/no recovery action possible		24

Total		(-)
Ongoing Investigations		452

15.8 Right-to-buy (RTB) applications

15.9 At the end of quarter four were 303 ongoing applications with 94 under investigation as part of the statutory money laundering stage of the process. During quarter, our, 18 RTB applications had been withdrawn, timed out or refused either: following review by the Corporate Anti-Fraud Team or due to failing to fully engage with the money laundering stage of the processes. 15 other applications ceased for reasons other than the Corporate Anti-Fraud Team's direct intervention. The applicants are served reminders, by homeownership and legal, regarding timescales and the Corporate Anti-Fraud Team work flexibly with applicants and their solicitors to gather the required evidence to satisfy the money laundering regulations. 142 new applications were received in this period for review, 13 properties are awaiting re-valuation of the property value, and 22 properties were sold.

15.10 During quarter four we continued to meet with Housing to monitor this activity, in advance of the discount being changed (November 2024) there was a large increase in applications, however this additional workload has yet to fully impact the fraud team as the applications are yet to reach a status where money laundering checks can be completed.

15.11 Blue Badge Fraud

15.12 To date there have been 133 cases accepted as part of the fraud prevention project. Outcomes from cases to date:

- 74 closed, no further action
- 3 prosecutions
- 4 cases with legal
- 41 cautions administered
- 11 live cases – 3 at interview under caution stage

15.13 The project has proven to be successful and achieved the deterrent factor desired to try to support Parking in reducing this fraud in the Borough. As per of 2025/26 planning the allocation of resources will be considered in risk basis.

15.14 The following is the notional cost to the public purse used in prosecution cases Blue Badge fraud is significant and, by claiming exemption from the congestion charge, a blue badge holder saves £2,500 per year. They may also avoid having to pay for a resident's parking permit, at £50 - £250 a year. If the motorist avoids paying hourly on-street parking charges of £3 per hour for 40 hours a week, this adds up to a further £6,000 a year (this could be even higher if commuting to central London). Fraudulent misuse could be costing local government (TfL and the boroughs) £5,000 - £10,000 a year per

badge, in addition to the extreme inconvenience for disabled motorists and passengers.

15.15 National Fraud Initiative (NFI)

NFI is a statutory function (under Local Audit and Accountability Act 2014, Part 6). £477.5M has been the reported savings across all local authorities for the 2022/24 accounting periods.

The Public Sector Fraud Authority established in 2022 works under the Cabinet Office and HM Treasury to enhance governments counter fraud function. There is a 2024-2028 strategy being delivered and planned developments to NFI will enhance the data matches available for local authorities to identify fraud and pursue. The exercise runs every two years with some pilots and 're-checks' periodically in between.

The results of the NFI were received at the start of the quarter and the intelligence and reports received are analysed by the Anti-Fraud team. There is a network of key contact across the services in the council who also have access to the reports and have a role in reviewing from the service perspective. The Anti-Fraud Team use a risk-based approach to focus on key reports that need to be reviewed, where we can more efficiently consider the fraud risk the team retain responsibility for the reports and matches. The benefit of the NFI is unlike any locally driven proactive data matching activities the intelligence is across a wide range of public sector held data sets.

There were eight cases identified from the 'payroll to payroll' data match which is a key one due to the heightened risk of dual working since covid.

In line with our risk assessment and work plan the focus of the team has been related to high-risk housing reports. Death list to housing tenants has identified 64 cases for housing action; tenant to tenant (cross council) and council tax reduction to property ownership have been interrogated and the fraud cases identified for allocation within the team has generated 18 cases requiring a full investigation by the team.

At the end of quarter four there were minimal outcomes to report but further updates will be provided in 2025/26 as part of the quarterly reports.

15.16 Void Properties project update 2023/24

A proactive exercise to identify void properties / tenancies that need terminating, using death list data and council tax records that had a class F exemption (in the name of 'executors of') was completed in 2023/24.

The 69 cases identified by IA have been reported to Housing. 41 of them were known to Housing but were either not being pursued or were complex cases for resolution; for 13 of these anti-fraud officers were already assisting.

As at end of March 2025, only nine cases remain open, four are with legal and five are with housing for action. The list has been sent to Heads of Service to highlight they remain open with outstanding actions.

22 properties have been recovered, to date, following the proactive work of the team.

The recoveries generated by this project are not included within the tenancy fraud performance to avoid double counting and because these cases were identified to proactively deter fraud occurring and to achieve other council objectives.

15.17 No Recourse to Public Funds (NRPF)

In quarter four, eleven referrals have been received and responded to by the Corporate Anti-Fraud Team. The role of the Corporate Anti-Fraud Team is to provide a financial status position for the NRPF team to include in their overall Children and Family Assessment.

The average cost of NRPF support per family (accommodation and subsistence for a two-child household) is around £20,000 pa.

15.18 Squatting

Due to demand pressures, the team have had limited operational involvement in the work to tackle the threat of squatting in council properties in quarter 4, the reported incidences of squatted properties has reduced in the period due to Housing Management and Police action, and we meet periodically with front line teams to stay involved in the project this oversight from a risk perspective will continue into 2025/26 in case evidence of employee involvement is identified and out involvement needs to increase again.

15.19 Ad hoc requests

The team deal day to day with many ad hoc requests from management for advice and guidance. They also respond to information and data protection requests from other teams and organisations.

In the quarter we have invested some time into our relationship with the Home Office, who have been able to advise us on a number of key risk areas for the Borough and its residents. Examples of areas of discussion include Housing – in particular squatting, illegal HMOs where Anti-Social Behaviour is occurring and rogue landlords and abuse of sponsorship license for employees in the social care sector. Risk insights gained have been shared internally with management.

15.20 Internal Employee Investigations

In accordance with the Council's Constitution, the in-house Corporate Anti-Fraud Team investigates all allegations of fraud, corruption, and financial irregularity against employees.

At the start of quarter four the team had two employee cases open. Both cases remain open at the end of the quarter. Both cases is criminal in nature and relates to ex-employees.

In quarter 4 we received one new employee referral for corruption. This case remained open at the end of the quarter.

The Audit and Risk service work closely with officers from HR and the service area involved to ensure that the appropriate investigation, following a referral, is completed as quickly as possible. The cases are prioritised according to risk to the council and severity of the allegations.

For all cases there is consideration of root causes and where weaknesses in our control environment have contributed or enabled fraud, corruption, or other breaches of code of conduct and other rules and procedures to occur. These audit observations are highlighted to management.

15.21 Dual Employment Cases / Agency Worker cases

At the start of quarter 4 we had one live agency worker dual employment case, which remains open at the end of the quarter while legal advice is sought by the lead authority. We also had two employee cases, the disciplinary processes for which were concluded in the quarter and both officers were dismissed. One case remains open at the end of March.

We had eight new dual worker related cases referred. Some current and some ex-employees/agency workers. All were investigated in the quarter and evidence provided to Management and/or other current employers. All cases remained open at the end of March but where applicable the disciplinary process has started and further action is considered under the fraud policy for all cases. Outcomes will be reported in quarter one report.

15.22 Whistleblowing Referrals

The Head of Audit and Risk Management maintains a record of referrals made using the Council's Whistleblowing Policy. At the start of quarter four the team had been one referral open relating to an external organisation providing services directly commissioned by the council. This case was reviewed in quarter four, and action by management to manage risks were noted but the allegation remains open, and a full review will be completed in quarter 1 to gather further assurances. No new whistleblower reports were received in quarter four.

Report for: Audit Committee – 22nd July 2025

Item number: 13

Title: Treasury Management Outturn Report 2024/25

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

Lead Officer: Sam Masters, Head of Finance – Treasury and Banking
Sam.Masters@Haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

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 approve treasury management reports on a semi-annual and annual basis.
- 1.2. The Council's Treasury Management Strategy for 2024/25 was approved at a full Council meeting on 4 March 2024. 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 risk remains central to the Council's treasury management strategy.
- 1.3. This report provides an update to the Audit Committee on the Council's treasury management activities and performance quarters ending 31st March 2024, in accordance with the CIPFA Code.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Audit Committee is requested:

- 3.1. To note the treasury management activity undertaken during the financial year to 31st March 2025 and the performance achieved which is attached as Appendix 1 to this report.
- 3.2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

4. Reason for Decision

4.1. Not applicable.

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.

6.2. CIPFA has defined Treasury management as: "The management of the 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."

6.3. The CIPFA Code recommends that members are informed of treasury management activities at least twice a year. Following an amendment to the Council's constitution in 2023, it was determined that the reviewing and monitoring of treasury policy, strategy and activity is delegated to the Audit Committee. This Committee receives quarterly treasury management update reports, including a mid-year and annual report.

6.4. However, overall responsibility for treasury management remains with full Council, and the Council approved the Treasury Management Strategy Statement and set the Prudential Indicators for 2024/25 on 4 March 2024.

6.5. Government guidance on local authority treasury management states that local authorities should consider the following factors in the order they are stated:

Security → Liquidity → Yield

6.6. The Treasury Management Strategy reflects these factors and is explicit that the priority for the Council is the security of its funds. However, no treasury activity is without risk and the effective identification and management of risk are integral to the Council's treasury management activities.

Economic Background

6.7. Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

- 6.8. The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

	Jun-24	Sep-24	Dec-24	Mar-25
BoE Bank Rate	5.25%	5.00%	4.75%	4.50%

Further details can be found in section 2 of Appendix 1 to this report.

Borrowing Activity

- 6.9. The Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
- 6.10. After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.
- 6.11. The table below shows the movement in rates offered across the various PWLB maturities for the 12 months to 31st March 2025. The rates shown are included the 0.20% certainty discount rate offered by the PWLB to qualifying authorities.

PWLB Maturity	Jun-24 %	Sep-24 %	Dec-24 %	Mar-25 %
10 year	4.96	4.79	5.43	5.42
20 year	5.37	5.27	5.86	5.91
50 year	5.15	5.13	5.68	5.67

- 6.12. As part of its strategy for funding previous and current years' capital programmes, the Council held £981.3 million in loans on 31st March 2025. The Council has a significant capital programme which will largely be financed by new borrowing in the upcoming years. The Council plans to maintain a balanced portfolio of short and long-term borrowing.
- 6.13. Further details on the borrowing activity of the Council over the period can be found in section 4 of Appendix 1 to this report.

Treasury Investment Activity

- 6.14. In accordance with the CIPFA Code and government guidance, the Council aims to strike an appropriate balance between risk and return, when making

treasury investments. The aim is to prioritise the security and liquidity of its investments before seeking the optimum rate of return or yield.

- 6.15. Throughout the period, the Council's investment balances ranged between £13.60m and £83.3m due to timing differences between income and expenditure, ending at £13.6m on 31st March 2025.
- 6.16. Overnight deposit rates for the Debt Management Account Deposit Facility and Money Market Funds ranged between 4.5% and 5.3%.
- 6.17. The following table shows how the Council's current Treasury investments compare with other local authorities.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Ave. Maturity (Days)	Rate of Return
31.03.2024	3.67	AA-	0%	1	5.19%
31.12.2025	4.95	A+	100%	1	4.52%
Similar Local Authorities	4.90	A+	73%	13	4.74%
All Local Authorities	4.77	A+	64%	8	4.55%

Further details on the Council's treasury investment activity over the period can be found in section 5 of Appendix 1 to this report.

Treasury Management Prudential Indicators

- 6.18. The Council measures and manages its exposures to treasury management risks using several indicators that are set when the Treasury Management Strategy is approved in advance of the new financial year.
- 6.19. The Chief Finance Officer reports that all treasury management activities carried out during the year were fully compliant with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy with the exception of the voluntary Minimum Liquidity measure. Further information can be found in section 9 of Appendix 1.
- 6.20. A detailed assessment of the Council's compliance with the agreed upon Treasury Management Indicators can be found in section 8 of Appendix 1 to this report.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable.

8. Carbon and Climate Change

- 8.1. Not applicable.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Legal and Governance, Equalities)

Finance and Procurement

- 9.1. Finance comments are included throughout the attached report.

Assistant Director of Legal and Governance [Benita Edwards, Head of Legal Services]

- 9.2. The Head of Legal Services has been consulted on the content of this report which is consistent with legislation governing the financial affairs of the Council. In particular, the Council must comply with the requirements of the Local Government Act 2003, the Local Authorities (Capital Financing & Accounting – England) Regulations 2003 and the CIPFA Treasury Management code.
- 9.3. In considering the report Members must take into account the expert financial advice available to it and any further oral advice given at the meeting of the Committee
- 9.4. Equalities
- 9.5. There are no equalities issues arising from this report.

10. Use of Appendices

- 10.1. Appendix 1 – Treasury Management Outturn Report – 2024/25

11. Background Papers

- 11.1. None

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Appendix 1 - Treasury Management Outturn Report 2024/25

1. Introduction

- 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 approve, as a minimum, treasury management semi-annual and annual reports.
- 1.2. This report includes the requirement in the 2021 Code, Mandatory from 1st April 2023, of reporting the treasury management prudential indicators.
- 1.3. The Council's treasury management strategy for 2024/25 was approved at a full Council meeting on 4th March 2024. 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 risk remains central to the Council's treasury management strategy.

2. External Context (provided by the Council's treasury management advisor, Arlingclose)

Economic background

- 2.1. Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.
- 2.2. After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025.
- 2.3. UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.
- 2.4. The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.
- 2.5. The labour market continued to cool, but the ONS data still require treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.
- 2.6. The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and

August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

- 2.7. The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.
- 2.8. Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.
- 2.9. The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.
- 2.10. The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

Financial markets

- 2.11. Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.
- 2.12. The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

2.13. *The period in question ended shortly before US President Donald Trump announced his package of 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.*

2.14. The table below shows the movement of the major benchmark gilt yields throughout the period.

Benchmark Gilt Yield	Jun-24	Sep-24	Dec-24	Mar-25
5 year	3.94%	3.76%	4.35%	4.28%
10 year	4.18%	4.00%	4.57%	4.68%
20 year	4.41%	4.51%	5.08%	5.21%

The Sterling Overnight Rate (SONIA) averaged 4.90% over the period to 31st March 2025.

Credit review

- 2.15. In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.
- 2.16. Fitch revised the outlook on Commonwealth Bank of Australia (CBA) to positive from stable while affirming its long-term rating at AA-, citing its consistent strong earnings and profitability.
- 2.17. Other than CBA, the last three months of the period were relatively quiet on the bank credit rating front, with a small number of updates issued for a number of lenders not on the Arlingclose recommended counterparty list.
- 2.18. On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and also withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.
- 2.19. Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained generally more muted compared to previous periods.
- 2.20. Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

3. Local Context

- 3.1. On 31 March 2025, the Council had net borrowing of £981.3m arising from its revenue and capital income and expenditure. The Capital Financing Requirement (CFR) measures the

underlying need to borrow for capital purposes. A breakdown of the CFR is summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.03.25 Actual £m	31.03.24 Actual £m
General Fund CFR	704.5	677.2
HRA CFR	626.8	542.9
Total CFR¹	1331.3	1,220.1
Less: Other debt liabilities ²	(73.3)	(30.5)
Borrowing CFR - comprised of:	1,258.0	1,189.5
External borrowing	981.3	819.4
Internal borrowing	276.8	370.1

¹subject to audit

²finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

- 3.2. The Council continued to pursue its long-standing strategy of keeping borrowing and investments below their underlying levels, also known as internal borrowing. This approach aims to manage both interest rate risk and refinancing risk. The goal is to minimise interest costs and provide flexibility when deciding whether the Council should take on new borrowing from external sources.
- 3.3. The treasury management position on 31 March 2025 and the change over the year is shown in Table 2 below.

Table 2: Treasury Management Summary

Type of Borrowing/Investment	31.03.24 Balance £m	Movement £m	31.03.25 Balance £m	31.03.25 Weighted Av. Rate %
Long-term borrowing	779.4	126.8	906.3	3.28%
Short-term borrowing	40.0	35.0	75.0	4.99%
Total borrowing	819.4	161.8	981.3	3.62%
Short-term investment	0.0	0.0	0.0	0.00%
Cash and cash equivalents	33.9	(20.3)	13.6	4.52%
Total investments	33.9	(20.3)	*13.6	4.52%
Net borrowing	785.5	182.1	967.6	

*Further commentary provided in section 9.3 below.

4. Borrowing Activity

- 4.1. CIPFA's 2021 Prudential Code emphasises that local authorities should not borrow to invest primarily for financial returns. Local authorities should not make any investment or spending decision that increases the capital financing requirement, resulting in new borrowing, unless such decisions are directly and primarily related to the functions of the local authority. Local authorities are no longer permitted to secure PWLB loans for purchasing investment assets primarily for yield unless the loans are for refinancing purposes.
- 4.2. The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in the future.

Borrowing strategy during the period

- 4.3. As outlined in the treasury strategy, the Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising longer-term stability of the debt portfolio.
- 4.4. After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.
- 4.5. The table below shows the movement of the major benchmark gilt yields throughout the period.

Table 3: Gilts

Benchmark Gilt Yield	Jun-24	Sep-24	Dec-24	Mar-25
5 year	3.94%	3.76%	4.35%	4.28%
10 year	4.18%	4.00%	4.57%	4.68%
20 year	4.41%	4.51%	5.08%	5.21%

The Sterling Overnight Rate (SONIA) averaged 4.90% over the period to 31st March 2025.

- 4.6. The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the period (April 24) and 5.42% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.71%. Rates for 20-year maturity loans ranged from 5.01% to 6.14% during the period, and 50-year maturity loans from 4.88% to 5.88%.
- 4.7. Table 4 shows the movement in rates offered across the various Public Works Loan Board (PWLB) maturities at the end of each quarter for the 12 months to 31st March 25. The rates shown include the 0.20% certainty discount rate offered by the PWLB to qualifying authorities

Table 4: PWLB Rates

PWLB Maturity	Jun-24 %	Sep-24 %	Dec-24 %	Mar-25 %
10 year	4.96	4.79	5.43	5.42
20 year	5.37	5.27	5.86	5.91
50 year	5.15	5.13	5.68	5.67

- 4.8. For the majority of the year the cost of short-term borrowing from other local authorities closely tracked Base Rate at around 5.00% - 5.25%. However, from late 2024 rates began to rise, peaking at around 6% in February and March 2025.
- 4.9. On 15 June 2023, a new HRA PWLB rate was made available to qualifying authorities. This rate offers a further 0.40% discount to the currently available certainty rate, 0.60% in total. The Autumn Budget 2024 confirmed the rate would now be available until March 2026. The discounted rate is meant to support local authorities borrowing for the Housing Revenue Account (HRA) and refinancing existing HRA loans. It provides an opportunity for the Council to undertake additional HRA-related borrowing and replace any maturing HRA loans during this period.
- 4.10. As part of its strategy for funding previous and current years' capital programmes, the Council held £981.3 million in loans on 31 March 2025, an increase of £161.8 million compared to 31 March 2024.

4.11. The outstanding loans on 31 March are summarised in Table 5.

Table 5: Borrowing Position

Type of Borrowing	31.03.24 Balance £m	Net Movement £m	31.03.24 Balance £m	31.03.25 Weighted Ave. Rate %	31.03.24 Weighted Ave. Maturity years
Public Works Loan Board	679.4	86.1	806.3	3.10%	20.3
Banks (LOBO)	100.0	0	100.0	4.73%	33.6
Local authorities	40.0	35.0	75.0	4.99%	0.3
Total borrowing	819.4	161.8	981.3	3.62%	20.6

4.12. The Council has a significant capital program that extends into the foreseeable future. A large proportion of this program will need to be financed by borrowing. This borrowing will be undertaken by the Council during the current and upcoming years. The Council's borrowing decisions are not based on any single outcome for interest rates, and it maintains a balanced portfolio of short and long-term borrowing.

LOBO Loans

- 4.13. On 31st March 2025, the Council held £100m of LOBO loans (Lender's Options Borrower's Options), where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.
- 4.14. With market interest rates having risen, the probability of call options on the LOBOs being called has been higher than in the recent past.
- 4.15. The Council currently holds £50m of LOBO loans with call dates within the next 12 months. The Council continues to engage with treasury management advisors, Arlingclose, to assess the likelihood of the options being exercised. If the option is exercised, the Council plans to repay the loan at no additional cost. In doing so, the Council will use any available cash or borrow from other local authorities or the PWLB to repay the LOBO loans.

Table 6: LOBO Position

Lender Name	End Date	Original Principal £'000	Interest rate	LOBO Frequency Yr	Next Call Date
FMS Wertman	10/04/2053	20,000	4.75%	0.5	10/04/2025
FMS Wertman	10/04/2053	20,000	4.75%	0.5	10/04/2025
Dexia Credit Local	10/04/2043	10,000	4.75%	0.5	10/04/2025
Commerzbank	15/05/2066	6,800	4.70%	5	15/05/2028
Commerzbank	17/05/2066	10,200	4.70%	5	15/05/2028
Commerzbank	15/05/2066	13,200	4.70%	5	15/05/2028
Commerzbank	17/05/2066	19,800	4.70%	5	15/05/2028
Total borrowing		100,000			

5. Treasury Investment Activity

- 5.1. The CIPFA Treasury Management Code now defines treasury management investments as investments that result from the Council's cash flows or treasury risk management

activity. These investments represent balances that need to be invested until the cash is required for business operations.

- 5.2. The Council holds significant invested funds, which represent income received in advance of expenditure, as well as balances and reserves held. Throughout the period, the Council's investment balances ranged between £13.6m and £95.8m due to timing differences between income and expenditure. The investment position on 31 March 2025 is shown in Table 7 below.

Table 7: Treasury Investment Position

Type of Investment	31.03.24 Balance £m	Net Movement £m	31.03.25 Balance £m	31.03.25 Weighted Ave. Rate %	31.03.25 Weighted Ave. Maturity
Debt Management Office	33.9	(33.9)	0	0.00%	1 days
Money Market Funds	0.0	13.6	13.6	4.52%	0 days
Total Investments	33.9	(19.9)	13.6	5.23%	1 day

- 5.3. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, taking into account the security and liquidity of its treasury investments before seeking the optimum rate of return or yield. The Council aims to strike an appropriate balance between risk and return when making treasury investments, while minimising the risk of incurring losses from defaults and receiving unsuitably low investment income.
- 5.4. The Bank of England Base Rate reduced from 5.25% to 5.00% in August 2024, again to 4.75% in November 2024 and again to 4.5% in February 2025, with short term interest rates largely being around these levels. The rates on DMADF deposits and money market funds ranged between 4.5% and 5.3%.

Table 8: BoE Base Rate – Quarterly

	Jun-24	Sep-24	Dec-24	Mar-25
BoE Bank Rate	5.25%	5.00%	4.75%	4.50%

- 5.5. At the end of March 2025, the Debt Management Account Deposit Facility's (DMADF) deposit rates ranged between 4.34% and 4.46%. The Money Market rates also ranged between 4.49% and 4.53%.
- 5.6. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 9 below.

Table 9: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Ave. Maturity (Days)	Rate of Return
31.03.2024	3.67	AA-	0%	1	5.19%
31.03.2025	4.95	A+	100%	1	4.52%
Similar Local Authorities	4.90	A+	73%	13	4.74%
All Local Authorities	4.77	A+	64%	8	4.55%

Scoring:

AAA = highest credit quality = 1; D = lowest credit quality = 26

Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

6. Treasury Performance

- 6.1. The Council measures the financial performance of its treasury management activities in terms of its impact on revenue budget as shown in Table 10 below.

Table 10: Treasury Performance

Borrowing costs	Actual £m	Budget £m	Over/under £m
General Fund borrowing	14.0	14.8	(0.8)
HRA borrowing	15.4	25.9	(10.5)
Total borrowing costs	29.4	40.7	(11.3)
Treasury investment income	(2.6)	(2.4)	(0.2)

- 6.2. The budget for investment income in 2023/24 was £500k based on an average investment portfolio of £20 million at an interest rate of 2.50%. However, over the course of the year, treasury investments generated an average rate of return of 4.93% with an average investment portfolio balance of £81.1m. This was largely due to the Bank of England increasing the base rate during the year, as well as the Council holding larger cash balances as a result of new long-term borrowing and receiving larger than expected government grants.

7. Non-Treasury Investments

- 7.1. The definition of investments in CIPFA's revised 2021 Treasury Management Code includes all the financial assets of the local authority, as well as other non-financial assets that the local authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes or (made explicitly to further service objectives) or for commercial purposes (made primarily for financial return).
- 7.2. The Investment Guidance, issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government, broadens the definition of investments to include all assets held partially or wholly for financial return.

8. Compliance

- 8.1. The Chief Finance Officer reports that all treasury management activities carried out during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.
- 8.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 11 below.

Table 11: Debt Limits

	31.03.25 Actual £m	2024/25 Operational Boundary £m	2024/25 Authorised Limit £m	Complied?
Borrowing	981.3	1,431.9	1,481.9	Yes
PFI and Finance Leases	73.3	15.8	17.4	No
Total debt	1,054.5	1,447.7	1,499.3	Yes

- 8.3. Although not classed as borrowing, the Council's PFI balances and finance leases increased during the financial year. This increase was primarily due to several rental lease renewals during the financial year.
- 8.4. The operational boundary is a management tool for in-year monitoring. Therefore, it is not significant if the operational boundary is breached on occasion due to variations in cash

flow, and this is not considered a compliance failure. However, the council's overall debt remained well below this limit throughout the entire financial year.

9. Treasury Management Indicators

- 9.1. As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

Security

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

	31.03.25 Actual	2024/25 Target	Complied?
Portfolio average credit score	A+, 4.95	Above A, 6.0 or lower	Yes

Liquidity

- 9.3. The Council has adopted a voluntary measure to monitor its exposure to liquidity risk. This is done by tracking the amount of cash available to meet unexpected payments over a rolling three-month period, without borrowing additional funds.

	31.03.25 Actual/£m	2024/25 Target/£m	Complied?
Total cash available within 3 months	13.6	30.0	No

- 9.4. Please note, as per the above table, the Council did breach this prudential indicator. The breach occurred on Friday 28th March and was rectified, cash balance restored to above the £30m threshold, by Tuesday 1st April. The £30m threshold is a **voluntary** minimum level of cash held by the Council. It is not statutory requirement of the CIPFA 'Code' and the breach is not required to be reported externally. The breach occurred principally because a large volume of capital payments were made at the end of March 2025.

Interest Rate Exposures

- 9.5. 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 interests was:

	31.03.25 Actual	2024/25 Target	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.6m	£2m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.6m	£2m	Yes

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

Maturity Structure of Borrowing

- 9.7. This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.03.25 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	12.6%	50%	0%	Yes
12 months and within 24 months	2.5%	40%	0%	Yes
24 months and within 5 years	14.1%	40%	0%	Yes
5 years and within 10 years	14.5%	40%	0%	Yes
10 years and within 20 years	16.1%	40%	0%	Yes
20 years and within 30 years	9.0%	40%	0%	Yes
30 years and within 40 years	10.8%	50%	0%	Yes
40 years and within 50 years	20.6%	50%	0%	Yes
50 years and above	0.0%	40%	0%	Yes

- 9.8. 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.
- 9.9. In the past, the Council has extensively used short-term borrowing (less than 1 year in duration) from other local authorities as an alternative to longer-term borrowing from the PWLB. This was due to lower interest rates at the time, resulting in revenue savings.
- 9.10. However, short-term borrowing exposes the Council to refinancing risk. This is the risk that rates will rise quickly over a short period of time, and will be at significantly higher rates when loans mature and new borrowing is required. With this in mind, the Council has set a limit on the total amount of short-term local authority borrowing as a proportion of all borrowing.

	31.03.25 Actual	2024/25 Limit	Complied?
Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing	7.64%	20%	Yes

Principal Sums Invested for Periods Longer than a year

- 9.11. 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 limits on the long-term principal sum invested to final maturities beyond the period end were:

	2024/25	2025/26	2026/27
Actual principal invested beyond year end	nil	nil	nil
Limit on principal invested beyond year end	£10m	£5m	£5m
Complied?	Yes	Yes	Yes