

NOTICE OF MEETING

AGENDA FOR THE AUDIT COMMITTEE

George Meehan House, N22 8JZ on Thursday, 23rd July 2026, 7.00 pm George Meehan House, 294 High Road, N22 8JZ

Watch the meeting live [here](#), or view all of our meetings on [Youtube](#)

Members of the public are welcome to attend this meeting. If you wish to speak at the meeting please register by emailing the Democratic Services Officer. Contact details can be found at the end of the agenda front sheet.

Councillors Tony Powell (Chair), Emily Arkell (Vice-Chair), Dana Carlin, Simon Clark, Fin Fitzgerald, Dan Johnson and Sarah Williams

Independent Members: Reyaaz Jacobs (Independent Member) and Reene Deba (Independent Member)

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 - 14)

To confirm and sign the minutes of the Audit Committee meeting held on 12 March 2026 as a correct record.

To review the action tracker.

7. EXTERNAL AUDIT PLAN 2025/26 (PAGES 15 - 76)

This report updates the Committee on the Council's plan for the audit of the Statement of Accounts for 2025/26, which includes the Collection Fund and Housing Revenue Account.

8. DRAFT STATEMENT OF ACCOUNTS 2025-26 (PAGES 77 - 262)

This report updates the Committee on the Council's Draft Statement of Accounts 2025/26.

9. DRAFT ANNUAL GOVERNANCE STATEMENT 2025/26 (PAGES 263 - 328)

To inform the Audit Committee of the statutory requirements to produce an Annual Governance Statement for 2025/26 (AGS) and to provide a draft statement relating to the 2025/26 financial year for review and approval.

10. ANNUAL INTERNAL AUDIT REPORT 2025/26 (PAGES 329 - 402)

To inform Members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2025/26 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 2025 Global Internal Audit Standards (GIAS) and the accompanying Application Note; the 2017 Local Government Transparency Code; and the Audit Committee's terms of reference.

11. TREASURY MANAGEMENT OUTTURN REPORT 2025/26 (PAGES 403 - 418)

This report provides an update to the Audit Committee on the Council's treasury management activities and performance for the 12 months ending 31st March 2026, in accordance with the CIPFA Code.

12. RISK MANAGEMENT UPDATED - CORPORATE RISK REGISTER (PAGES 419 - 432)

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.

13. ANTI-FRAUD, BRIBERY AND CORRUPTION PROGRESS REPORT QUARTER 4 2025/26 (PAGES 433 - 444)

This report details the work undertaken by the in-house resources in the Audit and Risk team and communicates a fourth quarter update on completion of the work plan for 2025/26. Please note the content of this report as well as the other three from the financial year will also be summarised in the 2025/26 Annual Internal Audit Report.

14. STATUTORY RECOMMENDATION IN ACCORDANCE WITH SCHEDULE 7 OF THE LOCAL AUDIT AND ACCOUNTABILITY ACT

Report to follow.

15. ANY OTHER BUSINESS

Democratic Services Contact: Nazyer Choudhury, Principal Committee Co-ordinator
Telephone: 0208489 3321
Email: Nazyer.choudhury@haringey.gov.uk

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

Wednesday, 15 July 2026

Public Questions

Any resident, council tax payer or national non domestic rate payer of the Borough may ask the Chair of any Committee or its sub bodies any question on anything for which the Committee is responsible at any ordinary meeting. Notice of questions must be given in writing to the Democratic Services Manager by 10 a.m. on such day as shall leave three clear days before the meeting (e.g. Tuesday for a meeting on the following Monday). The notice must give the name and address of the sender. Should a question be rejected, the questioner will receive a written response advising of this, including the reasons for the rejection.

Deputations

A deputation may only be received by a Committee or its sub bodies if a requisition signed by not less than ten residents of the Borough, stating the object of the deputation, is received by the Democratic Services Manager not later than 10am to leave three clear days prior to the Committee meeting.

Accessibility Requirements

If you would like to attend and you have any special requirements, please email Nazyer Choudhury, Principal Committee Co-ordinator at . Please note that public seating is limited and will be allocated on a first come first served basis.

Advice To Members On Declaring Interests

Information on declaring an interest is set out in the Council's Constitution in Part 5 Section A. However, you may need to obtain specific advice on whether you have an interest in a particular matter.

If you need advice, you can contact:

- Monitoring Officer
- the Legal Adviser to the Committee; or
- Democratic Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

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MINUTES OF THE AUDIT COMMITTEE HELD ON THURSDAY, 12 MARCH 2026, 7:00PM - 9:53PM

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

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 were 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 29 January 2026 be agreed and signed as a correct record.

In relation to a query, the meeting heard that no notifications had been received from KPMG. If this was to arrive, this would be a letter that will come into either the Corporate Director of Finance & Resources (Section 151 Officer), the Chief Executive or the Leader of the Council. The Council would then need to respond to it depending on the content. A public response would be provided which would likely be to the Cabinet. The Audit Committee would likely get some oversight because KPMG reported into it. Should the Council get a statutory recommendation, the monitoring of the response would come into the Audit Committee. All this was dependant on if a statutory recommendation was made and the wording that was received.

Progress on commercial property had been made in terms of working through the outstanding rent reviews and lease reviews. It was not complete and a deadline for both commercial property and operational property was in June 2026. A paper would be submitted to the Committee which covered all aspects of commercial property.

7. AN UPDATE ON THE VOIDS AUDIT AND IMPROVEMENT PROGRESS

Mr Neehara Wijeyesekera, Assistant Director Housing Management, Ms Rachel Sharpe, Director of Housing and Mr Scott Kay, AD Repairs and Compliance introduced the report.

The meeting heard:

- It was important to track the 'key-to-key' process. This was when somebody wanted to terminate a tenancy or leave their property to the point where somebody else gets the keys and moves in. There were a lot of different services involved in this. The Council was trying to break down each bit of the process and look at how each bit worked. To terminate a tenancy, an in-person appointment would need to be made at the customer service centre and there were two forms to fill in. This was before the Council could look at the property to work out what work needed to be done. The intention of the strategic group was to sort out what should be the sensible time targets for each part of the process. The Council had been measuring voids in terms of total numbers at any one time rather than time processes.
- The last part of the process was the point at which the property was ready to be let, go onto the choice based letting system (or allocated by another method) before being signed up by a new tenant.
- The Council had looked at average timescales and the focus in recent years had been on the number of voids needed to be reduced. The review being undertaken would set out the steps individually. The numbers at present would take into account the whole process, but it would also take into account all of the voids, some of which had taken a long time because they were in programs such as regeneration programs or required major works. The Council wanted to be able to report on voids that were genuine turnaround voids as opposed to skewing figures from voids that would be put into a holding pattern for regeneration schemes.
- A query was raised that it was not clear how many voids there were, how long it took for an evaluation. It was also not clear how many people were on the waiting list. Generally, more information was required. In response, the meeting heard that a paper would be circulated and the queries could be raised at the next Committee.
- There were some difficulties in coming up with reliable data. There was reference to some changes needed on the NEC system. Voids were being tracked. There were 403 voids, but that was not all the voids. Only a certain number of properties were counted. The Council was committed to try and make an improvement with the issue.
- The new build properties were becoming available and this was a positive for the Council. In 2024/25, 451 new build properties were signed up. Up to the end of January, there were another 151 new build properties signed up. Around about 40% to 50% of all new build properties had an impact on the stock from where people who had an offer in a policy decision that was made probably 10 years ago before development plans were being put forward. This was to allow those tenants who were living in certain conditions to be able to move. The impact of this meant that there more properties becoming available adding to the amount not-completed. The properties also needed to be matched and keep pace with the 500 properties per year from the normal stock, but also the additional stock (around 40% of the numbers of the existing stock).
- The Council reacted to a situation enhanced by the Neighbourhoods Move Scheme and had been managing the situation since. Numbers had gone down over the years

and the Council put various supply chain partners in place, but these were short term contracts which had to keep renewing. Cabinet in the future would see a request to go out to procurement for a long-term partnering contractor for voids who could help the Council supplement this. The intention was to deal with voids through in-house teams to keep the core numbers down. Progress would see the Council plan ahead and follow the development pipeline. Having a flexible supply chain partner on a long-term contract was ideal and this was the plan to help cope with demand.

- People moving into new properties came from a variety of circumstances. There was a lot of dependence on where people were in terms of their priority need at the time. The number of applications from neighbourhood move schemes and the level of the applications meet the priority requirements was quite a complex set of layers in a holistic process. In the long term, having a bigger stock would be better for the borough. The borough needed affordable housing.
- Recording systems were not set up the way the Council needed it to be. The staff were having to do things in a manual way, taking longer and keeping files on local drives or on spreadsheets. Therefore, it was more difficult to get hold of data. The Council wanted to improve the system so that the reporting could be improved along with the transparency of data and the visibility of what void sat where.
- Improvement in systems had a dependency on the Council's IT team. It was one of a large number of projects for improving systems in housing. The Council was trying to prioritise the system project improvements with IT to make sure the right resources were in place. The use of spreadsheets was not ideal as the Council needed access to data in a more immediate manner such as knowing how many voids were waiting to be allocated.
- Most organisations would use a system such as 'NEC'. Upgrades were being implemented into the system to make sure it was up-to-date. It was a large system with multiple different elements to it.
- The system needed to be able to work under all criteria and be designed appropriately so that the controls, the audits, the functions, the different types of property, different types of reasoning as to why a property becomes void could then be managed better. The system review would need to be corrected over the next couple of months.
- The policy was ready, but would not be presented until the summer of 2026. This had gone through the residents' voice board and a continuous improvement group.
- The project had already been commissioned and the project management was in place.
- Digital support was already in place to mistakes sure no mistakes were made.
- There was the re-procurement work along with the improvement works on the system as it stands. It was not clear when this would be completed.
- Many procurements were planned over the next kind of couple of years and there was a particular focus on Housing and Adult Social Care. A different process was in place in terms of digital governance and how projects got established. Resource allocation had been very clearly identified for every project budget. They were closely monitored with a series of internal governance steps. This was to ensure that the Council was specifying the requirements from a digital and service perspective. How digital projects was procured was very different to how adult social care services were procured. This was recognised under the new framework which had been in place for 18 months.
- In relation to voids, it was likely that the data was correct, but the system was unable to provide the reports it needed. There were minor day-to-day voids, major voids, sheltered voids, temporary accommodation voids, PSL voids, voids for Homes for Haringey and voids for HCBS. Some of those were not even managed directly by the housing service. Within the key to key process, there were various stages along the way. IT was working with the team to map out the process to deliver it in the best way, before systemising the process.

- The team had been reorganised so that the right management structure was in place and. Both the structure and the resources appeared to be right in relation to coping with demand.

The Audit Committee RESOLVED:

That the report be noted.

8. TREASURY MANAGEMENT QTR3 REPORT 2025/26

Ms Taryn Eves, Corporate Director of Finance & Resources (Section 151 Officer) introduced the report.

The meeting heard:

- In relation to the Civic Centre, this was just one of the capital schemes within the overall capital program and the full details of this was not included in the report, but had been reported in the quarterly report that was submitted to Cabinet and to the Overview and Scrutiny Committee. There had been no 'slippage' in relation to the Civic Centre, but there had been some around schools' estate, roads and some around the regeneration schemes.
- In relation to the LOBO loans, the Council had £100 million worth of it, before reducing it down to £50 million. This consisted of £40 million with one provider and £10 million with another. There was also a possibility that the Council might buy off the £40 million. The Council periodically engaged with its advisers, ArlingClose, who acted on the Council's behalf and approached the providers of the loans. So far, the response from the providers was that buying out would be quite expensive and not in the Council's interest. The Council periodically engaged with its advisers to progress the matter.
- In relation to exceptional financial support, there was a £10 million loan related to the financial year 2024/25. When the Council closed the accounts, it was £10 million short. In 2025/26, when the Council set its budget and it got the in-principal agreement in March 2025, this was for £37 million. When the Council forecast its position in 2025/26, the Council forecast an overspend on top of the £37 million. The quarter 3 report submitted to Cabinet and the Overview and Scrutiny Committee reported this at £19 million - a significant improvement since quarter 1. It seemed all the actions that the Council was taking was starting to have an impact. However, this position would still be £19 million higher than the £37 million. As the Council only had £37 million in-year agreed by Government, it needed to submit a revised application. At that point in time, which was around mid-December 2025, the Council thought the overspend would have been slightly higher, so it submitted an application for £54 million. On 2 March 2026, in order to set a balanced budget for 2026/27, the Council had forecast that it needed £84 million. This was still only a forecast and was based on what the Council thought were its pressures going into 2026/27. The Council's aspiration had to be to minimise the use of the £84 million as it was an in-principal agreement as Government would only give the Council what it actually needed. In 2024/25, the Council applied for £28 million of exceptional financial support. However, by the end of the year, the Council only needed £10 million. An in-principal agreement was very different to the final outcome when the accounts were closed at the end of the year.
- In relation to the PFI (Private Financial Initiative) and the leases, when the Council set the treasury management strategy statement for 2025/26 (agreed in March 2025), it did not account for the change in the accounting standard - how the Council accounted for PFI and leases. The Council had addressed this for 2026/27, but did not make the

change in time before the current in-year strategy was finalised. This was why the Council had to report a 'non-compliance', because the accounting standard had changed. Overall, the Council was compliant across all of the debt. The impact of the change in reporting relative to the accounting standard had not been known then. It would have been impossible to account for it at the time.

- The five-year financial forecast that was presented to Council and the five-year Treasury Management Strategy Statement made some assumptions - similar to a worst-case scenario - around interest. The Council needed to account for interest costs associated with future exceptional financial support. It was important that the Council tried to do everything it could to keep this to a minimum. The funding could either be funded through borrowing or capital receipts. Government was very clear in the letter they sent the Council containing the in-principal agreement that they would expect the Council to look at where there could be surplus of assets to fund through capital receipts rather than defaulting to just borrowing. However, they were also clear that the Council had to honour the best value duty. Selling properties simply due to exceptional financial support would not be acceptable as the Council needed to demonstrate and provide evidence that the assets were surplus to requirements and best value duty had been taken into account.
- In response to a query that this simply would run-down the assets of the authority, the meeting heard that the Council was engaging in good asset management. There was nothing specifically that the Council was doing around disposals or capital receipts that was specific for exceptional financial support. The approach that the Council was taking would be in line with best value duty. The Council had a duty to look at all of its assets to ensure that they were offering good value for money. Community assets could not be disposed of for purposes for exceptional financial support (EFS). Reviewing asset portfolio was part of good asset management. Even if the financial position was better, the Council would still be actively encouraging to not hold onto assets that were surplus to requirements because that would not be good value for money. The Council would ideally look at its whole estate because it would want to assure itself that it was not borrowing for EFS when it did not need to.
- The Council had disposed of community assets in the past. This meant that the Council did not have a town hall or a civic centre at present. All other properties had been released. The Civic Centre currently under renovation was a Grade II listed building and had an asbestos problem. It had to be fixed and was extremely expensive. The decision was to build office an office block in the car park, so that the Council could release a number of office buildings that it had across the borough that were not fit for purpose. They would be too expensive to upgrade. The project was within budget and was being very closely monitored.
- A query was raised regarding energy supplies, international trade and other world events and the importance for the Committee to know what assets the Council had as it would need regular updated reports about the position in which it found itself. These reports should include something around the level of risk and how that had changed over a period so that informed decisions could be made. In response, the meeting heard that risk register was in place to make sure that the Committee had visibility on the risks including financial sustainability. There may need to be some reports containing more detail on specific risks.
- In relation to borrowing costs, these had been factored into the MTFs (medium-term financial strategy) which was only over a five-year period. Borrowing costs were high. A forecast of the borrowing based on the capital program over the next five-years included assumptions around exceptional financial support. The MTFs agreed by Council included the borrowing cost of the assumptions. There were still budget gaps in future years, but given what was driving the EFS requirement - statutory services, demand and price costs – the Council needed to do everything it could to bring down the EFS requirement and reduce borrowing cost. This included EFS and schemes

within the capital program. If interest rates went higher, the Council would need to think about whether it would defer some of the capital expenditure to reduce some borrowing costs. A lot of the borrowing would be under equal instalments payments. Although the loan may mature over a period of time, there would be no sudden urgent need for large amounts of cash to repay all the debt. When taking advice from ArlingClose, the Council was aware to consider the most cost-effective borrowing. This meant looking at the structure and duration of the loan. A twenty or thirty year loan would cost more because there were fewer of these on the market. This pushed up costs. The Council then factored in what it anticipated the refinancing risks to be. Given to what degree the Council could forecast, it would consider interest rates over the duration of time to when the Council would need to refinance the debt.

- The duration, but also the loan type (whether it was paid off in equal instalments every ten years or repaying the entire debt at the end) had an effect on the cost of borrowing. This, therefore, had an effect on the interest rate. The Council had structured its debt the way it did because it was trying to manage down the cost of borrowing and manage the refinancing risk. This was why the Council had shorter duration loans of a ten-year EIP (Equal Instalments of Principal loans). This was the bulk of the Council's recent borrowing. This was the appropriate balance between cost and refinancing risk.
- The Council had a detailed financial model that tracked all of the borrowing that it took on when the repayments were made. It fed into the Council's cash flow position and this fed into the revenue budget. The Treasury Management Strategy Statement covered a five-year period, but the Council would be looking at almost the total length of time of all of the borrowing including ones between forty and fifty years. EFS could only be borrowed over a twenty-year period, so the Council would need to have it repaid by the end of the twenty years. However, there were other forms of borrowing. For example, a loan could be taken out over a forty-year period, but based on interest rates, it may not be as cost effective to borrow across forty years. It may be more cost effective to borrow across ten. However, this would mean the Council would have to refinance in ten years' time. Financial plans always took into account repayment and the additional borrowing.
- Advice from ArlingClose was taken regarding having a long-term fixed rate or a short-term fixed rate as they would have a better insight to the market and the future forecast.

The Audit Committee RESOLVED:

1. To note the treasury management activity undertaken during the financial year to 31st December 2025 and the performance achieved which is 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. INTERNAL AUDIT PROGRESS REPORT

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

The meeting heard:

- In relation to the evidence presented to the auditors over the completion of the mandatory training and the inspection records available, the auditors were looking for evidence to show that all those involved in the operation of leisure centres had the mandatory training to carry out their operations. It was found that there were "gaps" in

how this was being done. The service had said they would implement some of the recommendations by the end of March 2026.

- The “not applicable” statements on page 54 of the agenda papers were audits which were not audits where opinions were being given on the systems of control. The audits were more like fact finding interviews or regularity audits.
- A manager was assigned to the Council from Mazars who acted as the Council’s liaison between all the auditors and the Head of Audit and Risk Management.
- The Council was behind on its audits. It was at 68% in the middle of February 2026. By the end of March 2026, most of the work would be done and finalisation of reports would happen in April 2026.
- As the Council’s long-term partner in the delivery of audit functions, Mazars had been asked to attend the Committee and outline any significant issues. They were to highlight to the Committee the areas where they thought the Council should be focused. From an internal audit perspective, it was important that the Head of Audit and Mazars come to the Committee and provide insight and foresight into what was happening in the organisation and the sorts of areas of risks that the Council faced.
- A management response time of one month for audit reports was the average in most cases. About 75% of the management responses was quicker. This year, there had been at least two or three audit reports where Mazars had reported their findings. The service disagreed with some of the suggestions, so some of the delay was a period where discussions were taking place between the service, Mazars and officers to try to understand the nature of the risk and whether the auditors or the service needed to redefine the criteria. They needed to understand the nature of the risk very clearly to be able to come up with a proper solution.
- The reason for the adequate level of assurance for maintenance contracts was because the recommendations were all in priority 2. The high priority findings had been classed as medium risk. Had any of those been a priority 1, it would have been classed as limited assurance.
- The value of the contract was around £40,000. Mazars had reported that there was no signed contract, but throughout the audit there was within the HPCS system terms and conditions agreed by both the contractor and the Council which constituted a contract and money was paid against that. There were issues around how it had been procured, but in terms of the sort of service delivery, the quality, the inspections on the work and the value allowed the assurance to be classified as adequate.

The Audit Committee RESOLVED:

To note the audit coverage and follow up work completed.

10. ANNUAL INTERNAL AUDIT PLAN, STRATEGY AND CHARTER 2026/27

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

The meeting heard:

- The audit dealing with complaints was on the plan was because a risk had been identified from talking to the services that a number of responses at stage two - where the Council had responded - was then taken to the ombudsman who would then find against the Council. At stage two, the Council had an opportunity to review its original response and be satisfied that the response met the threshold. If the ombudsman was finding against the Council, this meant that the stage two complaint did not work as well as it should have. So that was the purpose, but I'm happy to expand that into the

entirety of the complaints process. At stage two, 90- 95% of responses should be agreed to by the ombudsmen, not overturned.

- Page of the agenda papers referred to the North London Waste Authority. One of the highest areas of risk for the Council was the potential levy that it could incur from the North London Waste Authority. The audit was trying to give assurance to that risk. It needed to be clarified if the Council had properly appraised itself of all the different facets of risk and what steps it was taking to try to manage the risk for including for other authorities in the in the neighbouring boroughs to mitigate the potential for the levy to rise.

The Audit Committee RESOLVED:

To approve the updated Annual Internal Audit Strategy and Plan for 2026/27 (Appendix A), the Internal Audit Charter (Appendix B) and note the Internal Audit Protocol (Appendix C) and the Assurance Risk Map (Appendix D).

11. RISK MANAGEMENT UPDATED - CORPORATE RISK REGISTER

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

The meeting heard:

- A number of local authorities who used the North London Waste Authority were potentially exposed to a financial risk of the levy being a lot higher than they thought. It could be millions. There was a governance framework set up to try to understand how the North London Waste Authority got to the position it had done and the potential exposure for Councils. The intention was to use the audit process to understand the detail and manage the risk. The Council was subject to potential increases in the levy year on year in line with inflation, but the particular risk highlighted was around the development of a new energy facility that was to replace the current facility which was out of date.
- In relation to the cost control over the housing delivery program, the left hand-side was the actual risk and on the right-hand side where it said "internal audit assurance" was trying to give assurance over the management of the risk. Due to the financial position of the Council, steps had been taken to try to manage spend better. There was a spend control panel with oversight of all spend across the Council. The audit was trying to support the work of the panel by taking a sample of payments that are made and ensuring or testing that actually it followed the right path before the spend was committed. The Council was trying to give assurance as to the effectiveness of the arrangements that the authority set up and whether there was any leakage in the in the way the process was being used by officers in the Council.
- The Assurance Map of Corporate Risks had some blanks. When the annual report was brought to the committee, some of the blanks would be filled in addition to detailing if there was any assurance given from the previous couple of years where the audit work could inform the management of the risks.
- A lot of Councils were finding it hard to fill Planning vacancies. For Haringey, it was quite an important area of operations because of the Tottenham Hotspur Stadium. The service was trying a lot of things to try to fill the vacancies to meet their statutory duties. As at 30 November 2025, the risk exposure was high and further mitigations would have to be found.

- In relation to building controls, the exposure to risk was high and on its way to becoming a serious issue.
- Councils were struggling to be able to attract staff that they wanted. These included accountants, lawyers, technicians on digital services and others. A number of people had moved into other sectors for financial reasons. Others had decided to go and work through an agency. The Council had a vacancy for a Claims Manager for two years.
- The review of our governance and the identification of significant governance issues was one which the Council went through the entirety of the Council operations and assessed the significance of each one. The Head of Audit and Risk Management would speak to the appropriate director of the service and try to get empirical information that will help inform the significance of the issue.

The Audit Committee RESOLVED:

To note the Corporate Risk Register as at 30 November 2025, attached at Appendix A.

12. ANNUAL GOVERNANCE STATEMENT 2024/25 UPDATE REPORT

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

The meeting heard:

- Each specific action got reviewed as part of the sort of year end cycle and into the next year. The actions were not likely to be fully completed by the end of the year.
- In response to a query that it was difficult to validate progress if milestones were not present, the meeting heard that the AGS looked at a target dates. Some had spanned more than a couple of years and various of the actions were large in scale.
- The review of the governance and the identification of significant governance issues was one where the Council went through the entirety of the council operations and tried to assess the significance of each one. The Head of Audit and Risk Assurance would speak to the appropriate director of the service and try to get some empirical information on issues that may involve significant governance issues.

The Audit Committee RESOLVED:

To note the progress reported.

13. ANY OTHER BUSINESS

There was no other business.

CHAIR: Councillor Tony Powell

Signed by Chair

Date

Audit Committee – Action Tracker				
Meeting date	Action	Response	Who by	Status
18 January 2024	A report on the Meanwhile Use and the Co-Location use would circulated to the Committee when it became available.	Officers are still working to summer 2026 date for the production of these meanwhile use and colocation policies, which aligns the conclusion of the 1 year pilot for the VCS social leasing policy, 1 year of corporate landlord operation and data gathering/cleansing and the council's operational asset review as part of our Asset Management processes within the SAMPIP. Activity in the last 3 months has included - Workshops have been held with each of the council's corporate directorates to review their service operational need against the current operational assets held by the corporate landlord for use by that service. Opportunities continue to be delivered or operated whilst the development of these policies and data gathering takes place Sites such as the Roger Sylvester centre has been completed and is operational, which has co-located services within the space, between partners and the VCS. Pretoria Road continues to operate as a co-located space, which offers meanwhile use, with Rise being the most recent new tenants at the site 40 Cumberland continues to operate as meanwhile space, whilst short term meanwhile lets have been completed at Down Lane Park hub, prior to the redevelopment of a new pavilion and there will be a launch of a bidding process for Chestnuts community centre, for which there have been 3 public meetings. The council are also working with residents who have formed a community group, to look at the meanwhile use of 100 Tower Gardens. The 1 year pilot of the Social Value leasing policy has been completed and is due back at cabinet in the	Director of Capital Projects & Property (Jonathan Kirby)	In Progress

		autumn. This, along with the the development of the Popular Assets Commission proposal will form the framework in which an aligned meanwhile use policy will be integrated.		
11 Mar 2025	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.	The Property team continues to work closely with Finance to ensure that debt recovery remains a priority. While system improvements are not currently possible, operational processes have been strengthened to maintain visibility and control over the debt position. This includes the full end to end process now being managed through the Commercial Property Team and close working with finance to ensure all income is correctly allocated. However, officers do acknowledge that there are still improvements and this will remain a priority throughout 2026/27 to improve data quality and record keeping, complete outstanding lease and rent reviews to maximise income and reduce levels of unrecoverable debt. There has been significant progress made against the councils top 10 debtors, which due to the legal nature of the processes underway, we are not able to list out here at this time, but the figures are reducing and sites being returned to council for re-letting.	Director of Capital Projects & Property (Jonathan Kirby)	In Progress
11 Mar 2025	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	Update report provided and and considered by Committee on 12th March 2026.	Rachel Sharpe	Completed
Nov 2025	A query was raised regarding an annual process where interests were declared and a specific process where interest was declared for specific transactions. In response, the meeting heard that the annual declaration was not fully complete. However, there should be an ongoing process all year round. Generally, when an account was to be paid, there	This has been highlighted as a weakness by KPMG as part of the external audit of the 2024/25 accounts. Management have accepted the recommendation and improvement in the process for declaring and ongoing monitoring of declaration of interest and maintaining an up to date register is in place for 2025/26 closing of	Kaycee Ikegwu / Taryn Eves	In progress

	needed to be a trigger in the system stating any internal interests. There appeared to be a weakness in both of these processes, because if no interest was recorded, a notification for an internal interest could not be triggered. This issue would be taken away to see how it could be addressed.	accounts process and evidence will be provided to KPMG as part of the audit. It is essential that individual officers take ownership of these completing and returning the required evidence. All officers will receive an email from the Corporate Director of Finance and Resources with the proposed process for 2025/26 and a reminder for DOI and non-responses will be monitored and consequences for non-responses.		
Jan 2026	Financial Assessments Audit: In relation to the variable direct debits, the work to introduce it was underway. All required teams in the Council were involved and were being led by digital colleagues. There were various system changes, process changes and the links between the case management system and the finance system that needed to be made. Staff were in the discovery stage of this. There would then need to be some communications with residents. There was evidence from other boroughs that allowing people to pay a direct debit that would vary from month to month, particularly if they were in receipt of home care, would improve income collection significantly. An update would be provided to the Committee in due course.		Rebecca Crib / Jo Baty	Initiated
	Financial Assessments Audit: When the project was started, it had been recognised that additional capacity was needed in all of the teams. There had been additional capacity that had gone into Legal, the Financial Assessments team, the Debt Recovery team and the frontline Social Care team. This was on a time-limited basis. There were a number of assessments that needed to be cleared, so the waiting list was significantly higher. Therefore, the additional resource would need to be in place for some time before considering what the business-as-usual resource should be. This would be considered for all of the teams, not just the Financial Assessment team. The specific amount of time had not been set. There		Rebecca Crib / Jo Baty	Initiated

	were around two or three specific work streams linked to the project. One was around looking at the age debt. Work was being done looking at over a thousand cases examining how much money was recoverable. and then, realistically, what was not. It was a requirement to work through those cases with input from all four teams. A further update would be provided to the Committee.			
Jan 2026	The Audit Committee highlighted its serious concerns to the cabinet about the level of reliance on exceptional financial support and for the Cabinet to report to the audit committee on potential alternatives.	There is a separate agenda item on for the July Committee meeting 'the Council's response to the Statutory Recommendation' that will address this action.	Corporate Director of Finance and Resources	In Progress
Mar 2026	North London Waste Authority. One of the highest areas of risk for the Council was the potential levy that it could incur from the North London Waste Authority. The audit was trying to give assurance to that risk. It needed to be clarified if the Council had properly appraised itself of all the different facets of risk and what steps it was taking to try to manage the risk for including for other authorities in the in the neighbouring boroughs to mitigate the potential for the levy to rise.	The internal audit plan for 2026/27 includes a review of the "Management of risks in respect of the North London Waste Authority". This audit is being discussed with management and with the providers of internal audit at the NLWA.	Head of Audit and Risk Management	In progress
Mar 2026	The review of the governance and the identification of significant governance issues was one where the Council went through the entirety of the council operations and tried to assess the significance of each one. The Head of Audit and Risk Assurance would speak to the appropriate director of the service and try to get some empirical information that would help inform whether there were to be any significant governance issues.	As part of the preparation of the annual governance statement for 2025/26, all Corporate Directors were asked to submit a Directorate Assurance Statement, which informs the Council's Annual Governance Statement. As part of this process, Corporate Directors assessed and provided evidence where appropriate to support their statement.	Head of Audit and Risk Management	Completed

Report for: Audit Committee 23rd July 2026

Item number: 7

Title: External Audit Plan 2025/26

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

Lead Officers: Kaycee Ikegwu, Chief Accountant
kaycee.ikegwu@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 2025/26, which includes the Collection Fund and Housing Revenue Account.

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, which also contains feedback on the progress of building back assurance (BBA) work and VFM update; including 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 2025/26 statement of accounts is a statutory requirement of the Accounts and Audit (Amendment) Regulations 2024. The 2025/26 draft accounts must be prepared and certified by 30th June 2026 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 January 31st, 2027, 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 2025/26 by the 30th June 2026, as required, and will be commencing the audit in July 2025 as detailed in the appended draft audit plan.
- 6.5. The 2025/26 draft audit plan will be presented by the Audit Director and the Audit Manager 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 provide audit progress report to the Audit Committee later in the year, followed by their Audit findings and any recommendations in January 2027.
- 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 in respect of the Council’s arrangements in place during the 2025/26 financial year to achieve Value for Money

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 provide 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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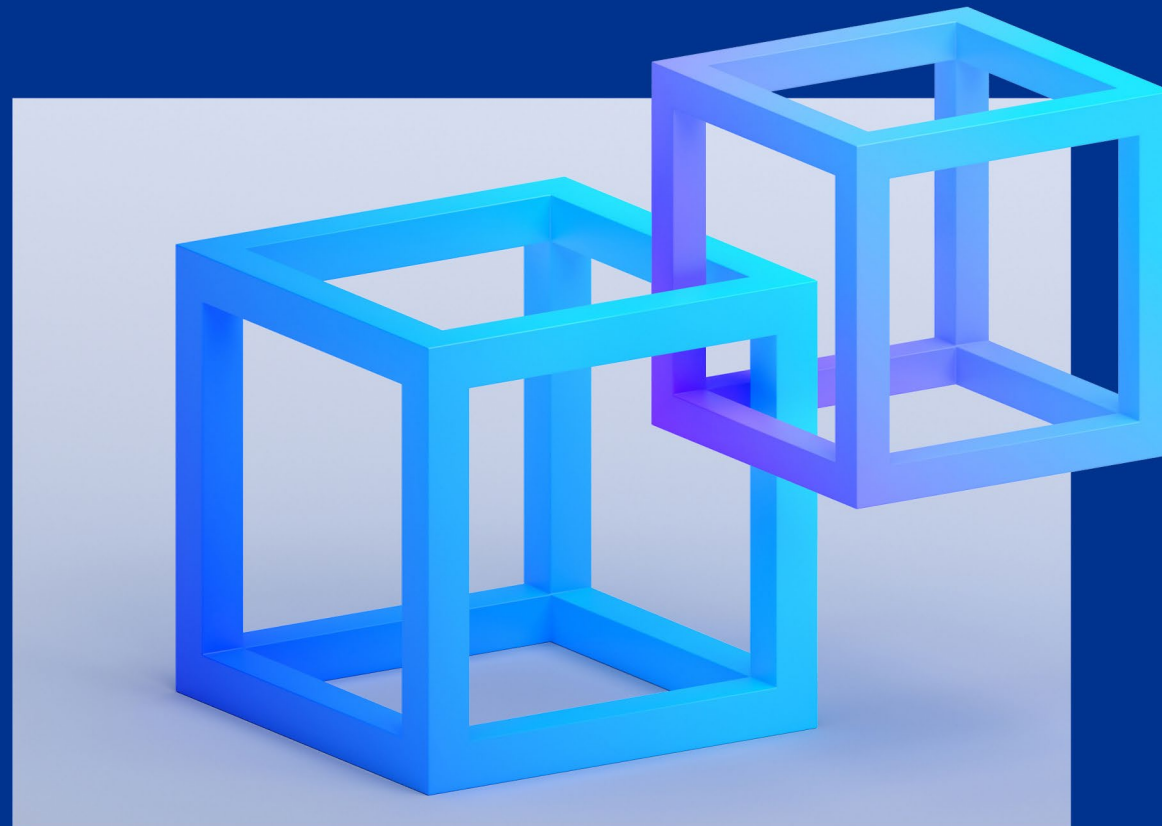


Haringey London Borough Council

Report to the Audit Committee

**External Audit plan and strategy for the year ending 31
March 2026**

23 July 2026



Introduction

To the Audit Committee of Haringey London Borough Council

We are pleased to have the opportunity to meet with you on 23 July 2026 to discuss our audit of the consolidated financial statements of Haringey London Borough Council, as at and for the year ending 31 March 2026.

This report provides the Audit Committee with an opportunity to review our planned audit approach and scope for the 2025/26 audit. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and is carried out in compliance with the NAO's 2024 Code of Audit Practice, auditing standards and other professional requirements.

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

We provide this 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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Overview of planned scope including materiality	4
Significant risks and Other audit risks	6
Audit Risks and our audit approach	7
Mandatory communications	14
Value for Money	15
Appendix	42

The engagement team

Tim Cutler, FCA, is the engagement partner on the audit. He has 29 years of experience in Public Sector audits.

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 15, 7, and 5 years of experience, respectively.

Yours sincerely,



Tim Cutler

Partner – KPMG LLP

23 July 2026

Restrictions on distribution

This report is intended solely for the information of those charged with governance of the Haringey London Borough Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

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 :

- An audit is 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 the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, who will try to resolve your complaint. After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process [Complaints](#).

Rebuilding assurance

Background

The Government introduced measures to resolve the legacy local government financial reporting and audit backlog. In 2024, amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which introduced the requirement for audit reports in respect of any open, incomplete audits up to the period ending 31 March 2023 to be published by 13 December 2024. It also introduced a statutory back stop date of 28 February 2025 and 27 February 2026 for the 2023/24 and 2024/25 audits, respectively.

Guidance has been developed to help support appropriate audit procedures for audits where further work is required to build back assurance. In addition to Local Audit Rest and Recovery Implementation Guidance (LARRIGs) that were published in 2024 by the NAO. Further guidance has now been published by the NAO LARRIG 06 - Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions (e.g., reserves balances where a disclaimer has been previously issued). We note the LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

For Haringey London Borough Council, this had the impact of a disclaimer of opinion issued by your predecessor auditor for 3 financial years up to and including 2022/23. We then issued a disclaimer of opinion for 2023/24 on 28 February 2025 to comply with the statutory backstop date as reported to you previously. For the 2024/25 audit we issued a disclaimed opinion on 26 February 2026.

The 2025/26 audit

As part of the 2025/26 audit, we are in the process of completing by 31 July 2026 our rebuilding assurance risk assessment which includes:

- Inquiries, with regard to changes to Haringey London Borough Council during the disclaimed period.
- Reconciling the planned movement in reserves from budget setting, in year monitoring and outrun reports and documenting our understanding if planned usage and changes in reserves over the disclaimed period.
- Considering the disclaimed period and associated reporting including the statement of accounts, Annual Government Statements, findings from the disclaimed period audits and from the section 151 officer in their assessment that the financial statements present a true and fair view.

- Considering the processes over capital additions/disposals and HRA classification.
- A balance sheet financial statement caption by caption assessment of the movement over the disclaimed period overlayed with findings from other risk assessment procedures to determine the appropriate testing strategy to remove the risk of material misstatement in line with the LARRIGs.

As a result of the risk assessment, we have designed an appropriate response to address the risks identified and the audit year we will complete the work. This is set out on page 43 of this report.

We have included an appendix for those areas where we could not obtain sufficient audit evidence during the 2024/25 audit and also set out the key elements of the MHCLG capacity assessment requested by MHCLG. We note this includes a categorisation of your audit as requested by MHCLG. The categories identified by MHCLG are:

A - audits expected to be relatively straightforward and able to sustain an ISA-compliant approach without significant difficulty.

B - audits that are in theory capable of supporting an ISA-compliant approach, but where significant operational difficulties are likely

C - the audited entity has adequate systems to provide the necessary evidence in principle, but practical constraints mean that ISA-compliant build-back is unlikely by the end of 2027/28

D – major systemic problems with financial management, governance or accounting systems.

Fees

We note our fees for this work are expected to be in region of:

- Risk assessment - £36,792
- Substantive work – est. £100k

We note our fees are subject to fee assumptions on page 43, and that the fee for the risk assessment work is estimated at this stage based upon the work completed to date and the volume of work required for KPMG to reach a point where we can accurately report the build back position to MHCLG. We also note our fees will be subject to the PSAA fee variation process and PSAA approval. MHCLG has announced grant funding for this work.



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 lack of shareholders when determining materiality for the financial statements as a whole.

We have assessed a higher level of aggregation risk due to factors such as the in-year departure the Deputy Chief Accountant who was heavily involved with the financial reporting process, the history of misstatements identified (though corrected), and the control deficiencies raised.

To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level (65%) of materiality driven by our expectations of increased level of undetected or uncorrected misstatements in the period. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons.

We will report misstatements to the audit committee including:

- Corrected and uncorrected audit misstatements above £1.075m (lowered due to the higher aggregation risk)
- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually and 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

Group	
Materiality for the consolidated financial statements as a whole	£27.0m (1.99% of expenditure vs 2024/25: £26.4m, 1.99% of expenditure)
Performance Materiality	£17.5m (2024/25: £17.1m)
Misstatements reported to the audit committee	£1.08m (2024/25: £1.32m)

Council Materiality

£26.4m

1.99% of Expenditure
(2024/25: £25.9m)

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 April 2026 where we present our audit plan outlining our audit approach and discuss management's progress in key areas
- Audit committee meeting in July 2026 where we present our final audit plan
- Regular status meetings with management throughout the year where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues
- Audit committee meeting in November 2026 where we present our draft annual auditor's report which will include our VFM commentary
- Closing meeting with management in December 2026 where we discuss the auditor's report and any outstanding deliverables
- Audit committee meeting in late 2026/January 2027 where we communicate audit misstatements and significant control deficiencies
- 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, specifically Alexandra Palace.
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

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the industry 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 with regards to the wider geopolitical environment impacting the local government sector and the pressures this could present to the Council's financial position, 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 Audit Committee.

Value for money

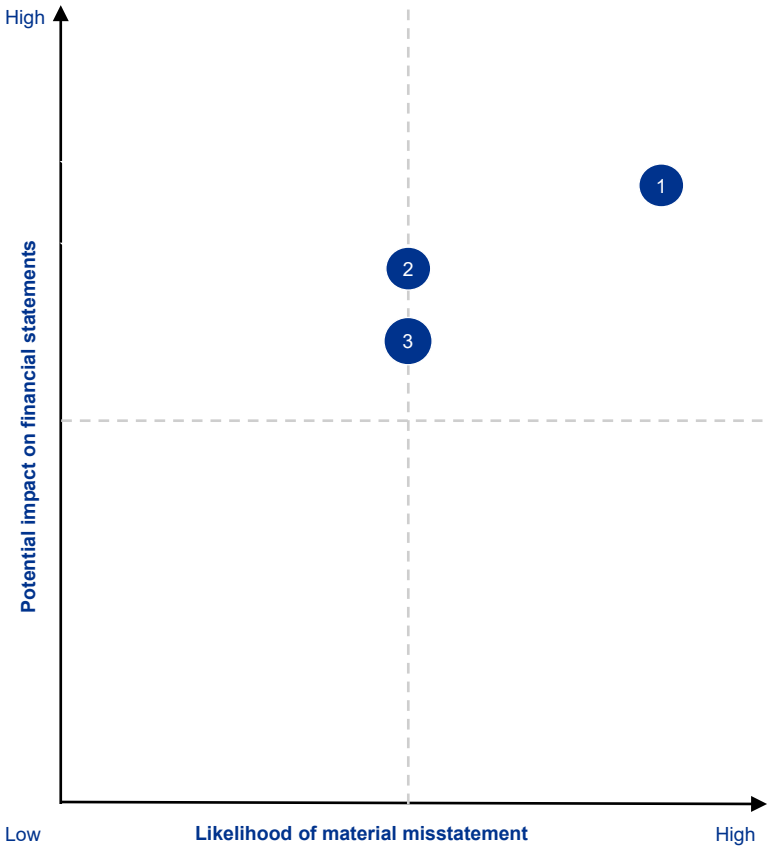
We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Council and report on this via our Auditor's Annual Report. This will be published on the Council's website and will include a commentary on our view of the appropriateness of the Council's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

We have outlined the results of our risk assessment procedures on pages 15 -41.

Significant risks

1. Valuation of land and buildings
2. Management override of controls
3. Valuation of post retirement benefit obligation

Key: # Significant financial statement audit risks



Audit risks and our audit approach



1

Valuation of land and buildings

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



Significant audit risk

The Code of Practice on Local Authority Accounting in the UK 2025/26 ('the Code') has introduced changes to asset revaluation. The Code requires revaluations for each class of PPE are undertaken using one of the following:

- A quinquennial revaluation, supplemented by annual indexation in intervening years.
- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the intervening four years.

The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle and indexation in the intervening years.

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

A further risk is presented for those assets that are revalued in year as valuations are inherently judgmental and there is a risk of error that the assumptions are not appropriate or correctly applied.

We note that the Council undertook a full revaluation exercise of all assets in 24/25, we have assurance over the Opening Balances aside from the Council Dwellings.



Planned response

We will perform the following procedures over all Land & Buildings designed to specifically address the significant risk:

- We will critically assess the independence, objectivity and expertise of Wilks Head & Eve, the Council's appointed valuers;
- 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. Given known issues in the prior year with the reliability of information regarding Beacon properties which prevented our conclusion over Council Dwellings in 24/25, we will have a specific focus on this area during the audit;
- 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 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; 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.)



1 Valuation of land and buildings (cont.)

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



Significant audit risk

The Code of Practice on Local Authority Accounting in the UK 2025/26 ('the Code') has introduced changes to asset revaluation. The Code requires revaluations for each class of PPE are undertaken using one of the following:

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A further risk is presented for those assets that are revalued in year as valuations are inherently judgmental and there is a risk of error that the assumptions are not appropriate or correctly applied.

We note that the Council undertook a full revaluation exercise of all assets in 24/25, we have assurance over the Opening Balances aside from the Council Dwellings.



Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the assets revalued in year:

- We will challenge the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement; and
- We will utilise our own valuation specialists to review the Alexandra Palace valuation prepared by the Council's valuers to confirm the appropriateness of the methodology utilised.

We will perform the following procedures specifically to address the significant risk associated with the assets subject to annual indexation in the intervening four years to the rolling revaluation:

- We will challenge the appropriateness of the indices used and agree the indexations applied back to relevant indices data (e.g., BCIS Average Price Index or House Price Index)

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.



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;
- Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Identify journal entries and other adjustments with characteristics that indicate that they may be inappropriate or unauthorised and therefore may have been used to manipulate the financial statements (which we refer to as 'high-risk journals and other adjustments') We will do this using KPMG Clara Journal Entry Analysis and perform procedures to test the appropriateness of these entries and adjustments.

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

Audit risks and our audit approach (cont.)



3

Valuation of post retirement benefit obligations (Local Government Pension Scheme)

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 actuary will take account of the results of the new Triennial Valuation as at 31 March 2025 for accounting at 31 March 2026. This means re-basing their estimate models to allow for actual experience since 2022, which could result in corrections to the defined benefit obligation and asset valuations this year. It also updates the contributions payable, which could have an impact on the assessment of the asset ceiling applying to 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.
- 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 Group are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in light of the updated information and change of contributions following the completion of the funding valuation, and assess the sensitivity of the deficit or surplus to the assumptions made;
- Where applicable, assess the level of surplus that should be recognised by the entity; and
- Assess the impact of a new triennial valuation model and/or any special events, where applicable.

Audit risks and our audit approach (cont.)



Expenditure – rebuttal of Significant Risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting from the manipulation of expenditure recognition is required to be considered. Having considered the risk factors relevant to the Council and the nature of expenditure within the Council, we have determined that a significant risk relating to expenditure recognition is not required.

The Council has faced budgetary pressures in previous years and have had to rely on Exceptional Finance Support (EFS) from the Ministry of Housing, Communities, & Local Government (MHCLG) to set a balanced budget for 25/26. Furthermore, the Council has faced difficulties in delivering this budget, with a forecasted overspend of £19m as at Q3, subsequently improved to £14m as at Month 11. This would suggest a heightened incentive for management to manipulate expenditure to reach the required financial position. We consider the manipulation of manual accruals to be the main opportunity for management to do so.

However, the Council had manual expenditure accruals of £55m in 24/25, compared to a £26m materiality for 25/26. It would, therefore, require a high percentage of accruals being omitted for any misstatement to be material. Since many of the accruals in 24/25 were relatively low in value (only 7 being individually above £1m), this would involve a large quantity of manual accruals needing to be manipulated. Our work in 24/25, designed to address the previously identified significant risk over expenditure recognition, did not identify any issues – which supports our assessment to rebut the fraudulent expenditure risk in 25/26.

Furthermore, MHCLG has approved an additional Exceptional Finance Support (EFS) allocation of £17m (to £54m) to the Council in February 2026 to meet the budget shortfall, which helps alleviate the pressure for Management to deliver a balanced budget in year. The Council is also forecasting a substantial budget shortfall for 26/27 which required an agreed £84m EFS allocation in 26/27 with MHCLG to reach a balanced position. Hence, we consider there to be a much greater incentive for Management to ensure the balanced budget is delivered in 26/27 and thus, reduces the incentive to delay the recognition of 25/26 expenditure to 26/27 through the manipulation of manual accruals. However, we note that due to the limited value of these manual accruals, there is also limited opportunity for management to manipulate the existence of expenditure in 25/26.

Therefore, the financial position of the Council (whilst under pressure) is not indicative of a position that would provide a high opportunity or pressure to manipulate expenditure recognition, and the nature of expenditure has not identified any specific risk factors.

Audit risks and our audit approach (cont.)



Revenue – Rebuttal of Significant Risk

Professional standards require us to presume, unless rebutted, 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 this balance to be subject to fraudulent financial manipulation.
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 this balance to be subject to fraudulent financial manipulation.
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.

Mandatory communications - additional reporting



Going concern

We will assess the risk relating to management's judgement on the use (or otherwise) of the going concern basis and the adequacy of related disclosures, including any possible material uncertainty. Under NAO guidance, including Practice Note 10 - a local authority's financial statements shall be prepared on a going concern basis; that 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 responsibilities.

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 
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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 issued a statutory recommendation to the Council linked to the identification & monitoring of cost saving schemes.
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.
Provide a summary of risks of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. This work is 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 52 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.

Haringey London Borough Council

Value for money risk assessment

Our approach

Year ended 31 March 2026

23 July 2026

Value for money



Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

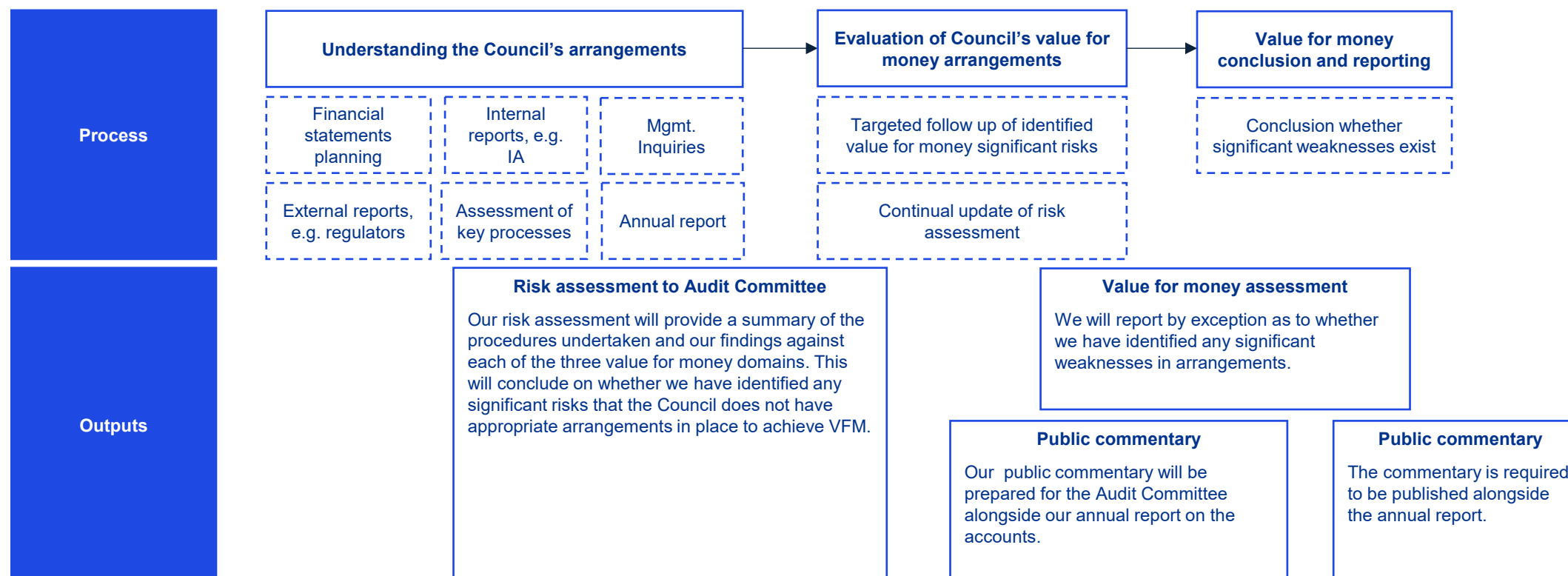
Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money



Approach we take to completing our work to form and report our conclusion:



Summary of risk assessment

Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management. These procedures are consistent with prior year.

Based on these procedures, the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Council for each of the relevant domains:

Domain	Significant risk identified?
Financial Sustainability	Significant risks identified
Governance	No significant risks identified
Improving Economy, Efficiency And Effectiveness	Significant risks identified

We have retained the 5 significant risks linked to the 5 significant weaknesses identified during the 2024/25 audit. These relate to: Budget Setting; Cost Saving Schemes; Procurement; Commercial Property & Adult Social Care.

We have considered our prior year findings and the progress made by the Council linked to Housing & Temporary Accommodation and have not identified any significant risks around this area.

We will report to the committee any identified significant weaknesses or performance improvement observations (PIOs) at a later date, as well as follow up on prior year identified weaknesses and PIOs.

Response to significant risk

The table below sets out the details of the risks that have been identified and the procedures we intend to perform in order to respond to the risks. We will report on our conclusion from these procedures as part of our year-end report to the Audit Committee:

RISK1	
Description of risk	In line with the prior year work, due to the challenging financial position at the Council, there is a risk that the Council does not have in place adequate arrangements in respect of cost setting and budgetary processes to achieve financial sustainability. This is key to the short to medium term plan to reduce reliance on Exceptional Financial Support (EFS).
Procedures to be performed	We will understand the processes in place for financial response and recovery for future periods and ascertain how the Council aims to reduce reliance upon EFS to achieve a balanced position.
RISK2	
Description of risk	In line with the prior year work, the Council does not have adequate processes in place to identify or monitor sufficient cost savings schemes to achieve the necessary reduction in expenditure to achieve a sustainable financial position. This is especially relevant given the reducing achievement rate of savings delivered in successive years.
Procedures to be performed	We will seek to understand the processes in place for identifying the cost saving schemes and how these are subsequently monitored throughout the year, as well as understanding actions taken to improve cost saving identification and delivery against the backdrop of the need to reduce the cost base to remove reliance on EFS.

Summary of risk assessment



Response to significant risk (continued)

RISK3	
Description of risk	In line with the prior year work, the Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received.
Procedures to be performed	Given the delay in the implementation of the procurement system solution, we will monitor the continued changes made to manual processes to allow the Council to comply with the new Procurement Act 2023 (PA23) and ensure engagement across all Council directorates, and whether these changes provide greater oversight & value for money.
RISK4	
Description of risk	In line with the prior year work, there is a lack of oversight and processes in place for the effective management of the commercial property portfolio across areas such as leases, repairs and health & safety, which could impact the Council's return on investment.
Procedures to be performed	We will consider the manual processes in place for the management of the Council's commercial leases in the absence of the implementation of a system solution, as well as seeking to understand how compliance and regulatory requirements are met around fire safety, repairs & maintenance and health & safety. We will assess if the Council has adequate knowledge of its leases and the underlying terms such that it can effectively budget for any financial implications.

RISK5	
Description of risk	In line with the prior year work, the Council does not have adequate processes in place to ensure that Social Care spend is sufficiently forecast and managed in light of the 'Requires Improvement' CQC findings, or that financial contributions from patients are assessed and recovered in a timely manner.
Procedures to be performed	We will further understand the process for forecasting demand and inspect the ongoing updates as part of the implementation of the Adult Social Care Improvement Plan, to ensure that the Council responds appropriately to the CQC findings.

Value for money arrangements



Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment

Wider Context

- With a population of approximately 270,000, the London Borough of Haringey faces significant challenges, including income inequality, difficulties with housing affordability, and homelessness. Although Haringey is classified as an outer London borough for government funding purposes, it receives less financial support than inner London boroughs, despite experiencing high levels of deprivation.
- Since 2010, Haringey's core funding has declined by £143 million in real terms, and, like many other local authorities, the borough is grappling with mounting financial pressures caused by rising demand and escalating costs in Adult Social Care, Children's Social Care, and Temporary Accommodation, which alone has risen in cost by over 50% during the previous year due to wider economic factors. These areas are the primary contributors to Haringey's financial difficulties, given that 67% of the General Fund revenue budget for 2025/26 was allocated to Adult's, Children's, and Temporary Accommodation services.
- The Government's Spending Review on 11 June 2025 announced that Local Government funding will rise by 3.1% over the next three years, with a provisional settlement for the Council of £25.3m for 2025/26 - 2027/28. However, this increase will be surpassed by inflation and will not sufficiently address the growing demand for services. Furthermore, analysis by LG Futures, related to the Government's Fair Funding Review 2.0, suggests that Haringey could face an estimated cumulative loss of income of £30-40 million over the medium to long-term depending upon the outcome of the consultation. The Council's ability to raise extra income from Council Tax is also reduced by the fact that the average banding in the borough is band C.
- Due to a deterioration in financial position over a number of years, the Council is no longer able to set a balanced budget without the use of Exceptional Financial Support (EFS) from the Ministry of Housing, Communities & Local Government (MHCLG). We discuss this in further detail across pages 21-25.

Financial Planning 2025/26

- The Council's budget-setting process is anchored in its Financial Regulations. For the 2025/26 financial year, preparations commenced early, kicking off with Budget Fortnight in June 2024. During this period, executive directors were responsible for developing budgets for the service lines under their remit, considering both anticipated pressures within their directorate and any required efficiency measures.

Value for money arrangements



Financial Sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

- To ensure these budgets were both realistic and achievable, directorates conducted assessments of cost pressures, drawing on a range of sources such as policy changes, economic trends, contractual obligations, and ongoing budget monitoring activities.
- Ahead of this process, directorates were also tasked with identifying and clearly defining efficiency schemes as part of Budget Fortnight, a focused effort to confront the Council's ongoing financial pressures. Our review of these submissions showed that the degree of detail varied considerably between directorates, with some unable to specify the full financial implications prior to the end of Budget Fortnight.
- Across the previous two years we have raised a significant risk & associated weakness linked to the identification and monitoring of cost savings schemes, and whilst there has been progress in tracking these savings, gaps remain - particularly with the lack of underlying detail and in the consistent application of red-amber-green (RAG) ratings.
- This lack of robust monitoring is mirrored in the Council's declining performance against its efficiency targets, an issue addressed on page 23. We note that almost half of the identified savings within the approved 2025/26 draft budget —amounting to approximately £13.4 million— were intended to be achieved through cross-cutting measures spanning multiple directorates, which are more challenging to identify and deliver due to their nature.
- The outcomes from Budget Fortnight were incorporated into the draft budget presented to Cabinet in November 2024. At this stage, the budget gap identified by management on the General Fund Budget of £310m was £32.1m, which was £18.1m worse than the Medium-Term Financial Strategy (MTFS) agreed in March 2024. This budget also incorporated new pressures of £39.6m (and £75.2m over the next 5 years) – specifically Adult Social Care (£15.1m), Children's (£5.8m) and Temporary Accommodation (£10.7m) being the largest 3 elements. This is over and above the £10.4m of budget pressures included for 2025/26 within the MTFS agreed in the prior year.
- In line with the Council's constitution, the draft 2025/26 budget and MTFS then went to the Overview & Scrutiny Committee in November 2024, for which we have reviewed the committee minutes and can see there is documented challenge from members of the budget and underlying assumptions. We have also inspected the recommendations made to Cabinet as a result of this process, which included 27 detailed recommendations and further information requested by the panel, covering a wide range of areas from insourcing to assessing the impact of savings upon marginal communities. This demonstrates the considerations given by the Council to the impact on the wider borough and the implications of the financial decisions undertaken.

Value for money arrangements



Financial Sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

- In terms of wider engagement, we have viewed the Budget Consultation Report for 2025/26, detailing 169 public responses to questionnaires and the subsequent Council analysis of the responses captured within the cabinet minutes approving the budget. This demonstrates good engagement with the community and the people that will be impacted by any potential budget changes.
- On 11 February 2025, the final budget was recommended to & approved by Cabinet, in which the gap had now been partially closed by identifying further efficiency savings of £3.3m and various other actions since November 2024, as well as incorporating £12.5m for the provisional Local Government Finance Settlement. The final budget, along with the MTFS, was subsequently recommended to Full Council, which gave its approval on 3 March 2025. This final General Fund budget was £314.3m and contained a forecast £37m gap between income and expenditure, to be met by the Exceptional Financial Support (EFS) application which was submitted to the Ministry of Housing, Communities & Local Government (MHCLG) on 14 December 2024 and subsequently approved on 20 February 2025.
- We note that the Council also relied upon EFS of £10m to deliver the agreed 2024/25 outturn, giving a cumulative planned total of up to £47m of EFS at this stage. The cost of continuing to rely upon EFS is significant - at current rates each £1m of EFS used will add £62,000 to revenue costs annually for the next 20 years.

Financial Performance 2025/26

- The 2025/26 financial performance has been challenging - by the time of the quarter 1 (Q1) financial update presented to Cabinet on 16 September 2025, the Council was already forecasting a £34.1m overspend, over 10% of the agreed budget, with a total forecast spend of £348.4m. This was primarily being driven by pressures in Temporary Accommodation (£11.4m), Adult Social Care (£7.4m), as well as non-delivery of savings (£9.2m). These overspends are beyond what was already built into the budget for additional in-year pressures as referenced on page 21.
- Although this forecast improved to a predicted £23.4m overspend as at Q2 and £19m as at Q3, this still remains a significant budget gap, and on 23 February 2026 the Council received approval from MHCLG to increase its reliance upon EFS to £54m for the 2025/26 financial year to cover this shortfall.

Value for money arrangements



Financial Sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

Savings Schemes

- The final 2025/26 budget agreed by Council on 3 March 2025 included a savings programme of £29.5m, which will be challenging to meet given the declining achievement rate year on year (63% & 77% of savings over the last two years) on significantly lower targets of £20.4m and £17.5m respectively.
- The savings schemes agreed for the year included several Council wide initiatives known as 'cross-cutting' schemes, which totalled £13.4m and were noted as to be allocated to individual services before 1 April 2025, however throughout the year there has remained savings to a value of £5.7m unallocated.
- As detailed on page 22, the financial shortfall of £34.1m as at Q1 was partially driven by a forecast non-delivery of savings of £9.2m. As at the Q1 financial update the Council had already RAG rated £14.8m (50%) of planned savings as amber or red rated and was projecting non-delivery of £5.2m (91%) of the £5.7m unallocated cross-cutting savings that had been targeted. We have further illustrated the Q2 and Q3 positions below, which highlights the volatility of the forecast overall delivery throughout the year. This also demonstrates that the Council was forecasting achievement of some of the amber RAG rated savings throughout the year.

Savings Schemes	Budget	Q1	Q2	Q3
Forecast Overall Delivery	£29.5m	£20.2m	£23.0m	£16.3m
Amber/Red RAG Rated	-	£14.8m	£13.3m	£13.0m

- Given the speed of deterioration of the savings programme, the large fluctuations in forecast delivery from budget and then throughout the year, as well as the challenges in delivering cross-cutting, transformational efficiencies, **we have identified a significant risk** associated with identification & delivery of savings.

Value for money arrangements



Financial Sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

Risks To Financial Sustainability

- As a result of the drawdown on the General Fund Reserve during 2024/25, this reserve stood at £52.3m as of 31 March 2025 (£67.4m as of 31 March 2024) - this has maintained at £52.3m to 31 March 2026, which has only been possible due to the receipt of EFS. The decrease in 2024/25 was attributed to the drawdown of £15.2m to cover the General Fund overspend for 2024/25. We note that the overall usable reserves have stayed broadly consistent due to the increase in the capital receipts reserve. The Council's external borrowing is also at a record high, with loans of £1.2bn as at 31 March 2026 (£981.3m as of 31 March 2025), alongside a large ongoing capital programme which it intends to finance with new borrowing, all of which are contributing to higher levels of interest payable.
- We have reviewed the CIPFA resilience index 2025, which is a comparative analytical tool that identifies trends in financial risks. Although this is based upon 2024/25 data it provides strong indicators of financial pressures. For instance, Haringey has a particularly high score in terms of the lack of reserves, reduction in reserves, interest payable per net expenditure and gross debt, as well as a worsening score for its social care to overall expenditure ratio. All of these are to be considered in conjunction with our determining a significant risk linked to both Financial Sustainability and Adult Social Care (see page 19).
- There is an emerging risk – which has now been assigned a top score of 25 on the Risk Register - linked to the construction of the North London Waste Authority's (NLWA) new Energy Recovery Facility (ERF) being built to replace the existing incinerator. NLWA is the public body that serves the seven north London boroughs, and its primary statutory duty is to ensure the safe and hygienic disposal of household black bag waste on residents' behalf, as well as for treatment of household recycling.
- Heat generated by the new incinerator is expected to power 127,000 homes across the seven boroughs, however persistent delays and increasing costs threaten to affect the viability of the project, as well as to increase the potential future levy for waste disposal charged to the Council. The 2025/26 budget included a £11.3m levy (£10.1m in 2024/25), and we are aware through review of the 2026/27 budget process – as discussed on pages 20 & 21 – that this has increased again year on year by 7.1%, to £12.1m. The NLWA medium term forecast indicates a 14.3% increase in the levy for 2027/28 to £13.5m. However, the forecast operational start for the new ERF remains unclear, with delays across multiple areas. There therefore remains significant uncertainties over how the actual costs will align to the current forecasts included with the MTFS. We are aware that the Council are actively attending meetings with NLWA and the other boroughs to monitor progress and we will continue to assess this as part of the 2025/26 Value For Money work.

Value for money arrangements



Financial Sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

Financial Planning 2026/27

- The Council has developed Finance Response & Recover plans with the aims of reducing short to medium term expenditure, to remove the reliance upon EFS as well as addressing the longer-term factors that will enable greater financial resilience. However, the impact of the Financial Recovery Silver & Gold Groups has been somewhat limited, leading to them being replaced by the new Financial Recovery Board in year.
- On 2 March 2026, the full Council approved the 2026/27 budget alongside the 2026/31 MTFS, which included a General Fund budget of £353.0m and identified a shortfall of £84m between planned income and expenditure. This will be met once again by EFS, which was approved by MHCLG on 23 February 2026 up to £84m for 2026/27.
- This budgeted shortfall of £84m also assumes delivery of £23.2m of savings proposals, which would be greater than any gross delivery in the previous 3 financial years. Of this £23.2m, only £8.3m are new schemes identified as part of this budgetary process that were not already approved in previous years. This shows the challenges not only in meeting the 2026/27 financial position but also highlights the low level of new savings identified & approved when compared with the significant budget gap currently being filled with EFS.

Risk assessment conclusion

Given the low level of reserves held by the Council, the need for increased EFS in 2025/26 to close the accounts (which was also revised in year from £37m to £54m) and planned continued reliance on EFS for 2026/27, we do not believe that the Council has arrangements in place to ensure financial sustainability and have retained the 2 significant risks linked to Financial Sustainability that were raised in the 2023/24 & 2024/25 Value For Money work. As detailed on page 18, these relate to arrangements in place for financial response and recovery for future periods and how the Council aims to reduce reliance upon EFS to achieve a balanced position, as well as the actions taken to improve cost saving identification and delivery against the backdrop of the need to reduce the cost base.

We will also continue to monitor the emerging financial risk in relation to the NLWA and the possibility that this may represent a significant risk of weakness in value for money arrangements.

Value for money arrangements



Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Summary of risk assessment

Identifying, Monitoring & Managing Risk

- The Council's risk management arrangements are underpinned by its Risk Management Strategy, which aids decision making in pursuit of the Council's strategic objectives. The Council uses Risk Registers to enable strategic, corporate and operational risk information to be documented, managed, monitored, reviewed and updated. Risk Registers require the likelihood of the risk occurring, and the impact on the organisation, to be quantified. All employees are jointly responsible for identifying, assessing, measuring, reporting and escalating significant risks associated with their functions or activities which feed into directorate and strategic risks.
- We have reviewed the presentation of various iterations of the Corporate Risk Register (CRR) being presented to the Audit Committee throughout the year, demonstrating appropriate committee oversight of risk. The CRR is published alongside the Risk Register guidance, which allows members to fully assess and understand the process of risk identification & monitoring.
- We have seen evidence that these identified risks and associated mitigating actions contain sufficient detail and are appropriately assigned to a Senior Responsible Owner (SRO). Additionally, through review of the CRR at different points in the year we have been able to see evidence of new risks being considered – such as the emergence of the risk related to the North London Waste Authority incinerator which was added to the CRR in November 2025 and assigned a top score of 25, as referenced earlier on page 24. We also noted that risks relating to building control reforms and housing regulatory compliance changed risk scores between the September & November 2025 CRRs, evidencing the active challenge & management of risk by the committee.
- The Council has a Corporate Delivery Plan (CDP) 2024-26 which sets out the plans for making the borough a better place, with operational objectives and Key Performance Indicators (KPIs). For example, it identifies 'Resident Experience And Enabling Success' as an area and has a planned activity of improving resident experience. This has an assigned SRO and a deadline included, as well as key metrics to measure progress, such as the percentage of Council services delivered right first time, and the percentage of all transactions completed via self service. The Council reports on the progress of the CDP to Cabinet in the form of performance updates, for which we have reviewed the relevant committee agenda items throughout the year and confirmed that the papers included detailed appendices on the Council's progress against plan and the assigned metrics. The associated committee minutes show comprehensive engagement with operational performance and demonstrate that the reporting is in an appropriate format.

Value for money arrangements



Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Summary of risk assessment (continued)

Governance Structures & Key Decisions

- The Council have a detailed Constitution that was refreshed twice in year and last updated March 2026. This outlines the terms of references for its Committees and the appropriate escalation routes, as well as clearly defining how decisions are taken. The Constitution lists the responsibilities of the full Council, Overview & Scrutiny Committee and the Cabinet, the latter of which is responsible for any key decisions made in year.
- In respect of key decisions, to ensure transparency, these are published on the website each month in the form of a 4-month Forward Plan, listing all the decisions that Cabinet will take. We have reviewed a key decision made in year to approve the acquisition of 76 Council homes and have confirmed that this decision was published on the website in line with the terms of the Constitution and received appropriate scrutiny and approval from members at the September 2025 Cabinet meeting. Additionally, the decision was considered against the Council's Acquisitions & Disposal Policy, and received the appropriate input from the Finance, Procurement & Legal Directorates.
- The Council approved and adopted a Local Code Of Corporate Governance in July 2024, which remains in place for 2025/26. This is consistent with the principles of the latest CIPFA / SOLACE Framework Delivering Good Governance in Local Government guidance. The code sets out the governance structure of the Council and the key responsibilities of the committees and key employees such as the Head of Paid Service, Chief Finance Officer and Monitoring Officer. The Monitoring Officer reports to the full Council or to the Executive if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. No such reports were made in 2025/26.
- There is an Employee Code Of Conduct in place, refreshed in year in September 2025, which is underpinned by the Council's Disciplinary Code and must be followed by all employees. This outlines standards of behaviour for staff as well as providing guidance and references to other key policies such as Conflicts of Interest and Whistleblowing, the latter of which was also refreshed in year, in January 2026.

Value for money arrangements



Governance

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- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Summary of risk assessment (continued)

Fraud And Compliance With Laws & Regulations

- The Council has an Anti Fraud, Bribery & Corruption Policy which was refreshed in October 2024 and remains in place for 2025/26. This policy sets out how fraudulent and illegal acts are monitored and responded to, with all allegations referred internally to the Head of Audit and Risk Management in line with the Council's financial regulations. We have also reviewed the Anti Fraud Updates taken throughout the year to the Audit Committee and inspected the associated minutes, which show evidence of the Council reporting and acting against suspected fraud.
- We have made inquiries with the Director of Legal & Governance and are satisfied that the Council remains informed of changes in legislation by receiving Government-issued letters and guidance notes, which are then distributed to the relevant departments tasked with maintaining compliance. Legal Services relay legal updates to Council teams and arrange training or provide access to training materials whenever necessary.
- The Council has reviewed and updated its Damp & Mould Policy in January 2026, having first brought in such a policy in 2023 in response to the future introduction of Awaab's law and the new timescales to respond to complaints of damp and mould. We have reviewed the Damp & Mould update presented to the Housing Development & Scrutiny panel in March 2026, which details that as of 17 February 2026, there is a total of 886 damp and mould cases open on the case management system, with 629 of these were referrals since Awaab's Law launched on 27 October 2025, with new KPIs and targets due to be established for management reporting in 26/27.

Other

- We are aware that the Council is looking to explore the possibility of funding affordable housing through long term institutional finance and took a paper to the October 2025 Cabinet meeting to request approval for the proposal to acquire housing via the development & incorporation of a Limited Liability Partnership (LLP), which will select a suitable funder to provide financing. This is driven by the fact that there are currently around 2,700 households in Temporary Accommodation, many of whom are living in unsuitable homes for their needs, and the Council is currently estimating that it will spend c.£41m on Temporary Accommodation in 2025/26.

Value for money arrangements



Governance

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- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

Summary of risk assessment (continued)

- We are also aware that there are ongoing negotiations with Lendlease due to delays in the construction of the High Road West scheme in North Tottenham and have reviewed the February 2026 update to Cabinet stating that Lendlease have entered into a conditional agreement with the Crown Estate to deliver its UK development projects.
- For both of these emerging issues we will continue to monitor any new governance arrangements in place as part of our ongoing Value For Money work and will report back any findings as part of our Auditor's Annual Report (AAR).

Risk assessment conclusion

Based on the risk assessment procedures performed we have not currently identified a significant risk associated with governance. Our risk assessment is an iterative process, and this conclusion may change before issuing our final reporting.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment

Background

- As part of our work in the prior years, we identified significant risks in arrangements to secure value for money in respect of Procurement, Commercial Property, Social Care, Housing and Temporary Accommodation. We have made key inquiries with Heads Of Service as part of our work for 2025/26, which has identified that pressures and challenges remain within these areas to varying degrees. As such we have summarised our approach to these areas throughout the following slides, as well as reviewing the overall arrangements in place.

Procurement

- In 2023/24 & 2024/25 we commented as part of our significant risk linked to procurement that the current systems did not have the functionality to produce meaningful or valuable monitoring data and there was limited oversight of contract management across the Council. We have found this to be the case in 2025/26 and have **continued to identify a significant risk** as per the below assessment.
- We have reviewed the June 2025 SAP contract utilisation data produced by the procurement team and note significant improvements in the level and quality of information being monitored, albeit this is being done on a manual basis by spreadsheet in the absence of a system solution. We also noted that this data is heavily reliant upon input & engagement from all the wider service lines within the Council, which can be challenging to capture.
- However, challenges remain in how to proactively address the issues identified by the underlying data. For instance, in the June 2025 monitoring document we identified 50 instances of a contract showing £0 remaining when comparing awarded contract spend to actual spend, however the contract end date was still to pass – with 6 of these contracts having an end date of 2027 and beyond. This implies that these contracts are overspent based on the initial procurement value. We also noted 196 contracts where the average monthly run rate is above that initially budgeted as part of the contract award, suggesting these contracts may overrun.
- The Procurement Act 2023 (PA23) is an act of Parliament that came into force on 24 February 2025, so was in place from the outset of 2025/26. The act seeks to overhaul public procurement law in the United Kingdom by simplifying processes and giving a greater share of public sector supply opportunities to small businesses, and it covers the entire commercial lifecycle for letting and maintaining public contracts.

Value for money arrangements



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Summary of risk assessment (continued)

- Under the PA23, the Council is required to publicly share a pipeline of all contracts worth £2,000,000 or more that it plans to procure over the upcoming 18 months, at a minimum. This contract pipeline must be published within 56 days after 1 April each year and should be updated as soon as possible when circumstances change. We have reviewed the Council's publication of the contract pipeline during 2025/26 to confirm that it was in compliance with this requirement.
- The Council has updated its Contract Standing Orders (CSOs) as of March 2025 to align these with the PA23. This mandates that procurement is centralised above £25k (lowering the previous £160k threshold) and ensures there is Cabinet/Member approval prior to commencing procurement over £500k. There has also been a comprehensive training programme for the Procurement function to ensure that they are able to effectively implement the requirements of PA23, with rigid monitoring to ensure full training completion rates.
- The Council established the Procurement Board in late 2024/25, which was chaired by the Corporate Director Of Finance & Resources, with the aim of strengthening its oversight and reporting of procurement activities to ensure not only compliance with PA23 but also ensure better adherence to the CSOs and the delivery of value for money in contracts.
- As part of the ongoing implementation of the wider Procurement Modernisation Programme (PMP) over the last few years, management identified that the Procurement Board was not achieving the required impact to deliver meaningful transformation. As such, as of January 2026, a new Commissioning Board was established to replace the Procurement Board. The aim is for this Board to provide oversight on the entire commissioning and commercial lifecycle to improve the corporate grip on contract spend, improved planning, monitoring of procurement compliance and greater corporate oversight of managing contracts, to be followed shortly after by the new Commissioning Panel, which will support its activities.
- We have reviewed a copy of the March 2026 Commissioning Board agenda and the associated presentation to the members, which demonstrates the increased focus and scrutiny that the procurement function is receiving. The Commissioning Board maintains an action log with assigned deadlines and SROs, to ensure that any identified issues are followed up in a timely manner.
- As part of the PMP, the Council is also undertaking an exercise of Contract Classification, to categorise contracts into Bronze, Silver & Gold based upon both financial value and business criticality. This categorisation will then drive the level of scrutiny & contract management required, to ensure a level of proportionality and efficient resource management.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

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Summary of risk assessment (continued)

- The Commissioning Board is actively monitoring a number of KPIs, helping to improve the level of central oversight of procurement across the Council, for instance: lowest & highest performing contracts in terms of the amount of Social Value delivered; committed & delivered Social Value by directorate; overall number and value of contracts agreed; and instances of multiple low value contract awards to the same supplier.
- This has helped to flag several potential areas of follow up where the Council is not achieving value for money. For instance, in respect of low value contracts there were 67 suppliers that received 5 or more contract awards below £9,999.99, showing a concentration of repeat business among a small group of vendors, rather than large aggregated contracts to achieve greater value for money. This analysis revealed that there were 812 contracts accounting for only £4.1m of spend, the largest of which was one vendor with 49 separate contracts totalling £86,000. Although this demonstrates the improved monitoring and tracking of KPIs, this does suggest that there are significant measures still to be taken to change underlying directorate habits to enable Council wide transformational change.
- Haringey does not have a tender waiver register as such but the policy for waivers is clearly set out in the CSOs, and from our review of a tender published on the Council's website, the decision notice clearly set out the compliance with the CSOs and the reasons for the direct award, hence we are satisfied that this process is being appropriately followed.
- We are aware that the Council is looking to replace its existing 20-year-old financial ledger (SAP ECC) system, with support ending on 31 December 2027. We have reviewed the presentations in January 2026 to the Enterprise Resource Planning (ERP) Programme Board and to the ERP Strategic Options & Business Case Working Group, as well as the subsequent granting of an initial budget of £1.9m for the discovery phase, as approved by Cabinet on 19 March 2026. As part of our work in reviewing this project scoping, we are aware that the implementation of a new e-procurement system has been absorbed into the ERP replacement project. The future implementation of this project to bring about a system solution for Procurement forms the basis of the response to the significant weakness identified as part of our FY24 and FY25 audits.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

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Summary of risk assessment (continued)

Housing

- In January 2023, the Council referred itself to the Regulator of Social Housing because it identified a failure to meet statutory health and safety requirements for some Council owned homes, including failing to complete a significant number of remedial fire safety actions and having c.5000 homes not meeting the Decent Homes Standard. There has been significant work undertaken since, and we have reviewed in year performance updates of KPIs using external benchmarking from HouseMark, to the Housing, Planning & Development Scrutiny Panel.
- This has shown year-on-year improvement across a variety of metrics such as the percentage of properties with electrical inspections; valid gas safety certificates; water hygiene risk assessments; fire risk assessments and asbestos surveys. Additionally, we have since seen the approval of new policies such as the: Asbestos Safety Policy; Electrical Safety Policy; Fire & Structural Safety Policy; Gas & Heating Safety Policy; Lift Safety Policy and Water Hygiene Policy. All of these demonstrate the improvements made to the arrangements for overseeing Housing safety and quality.
- We also note that the percentage of decent homes has risen to 80.7% at the outset of the year (an increase from 68% as of the January 2023 regulator self-referral), with the Asset Management Team exceeding the targets set by the regulator in respect of decent homes. This culminated in the Council receiving confirmation on 1 December 2025 from the Regulator Of Social Housing that the regulatory notice has now been lifted.
- Despite the lifting of the notice, the Council is continuing to target improvements over its KPIs and has an approved Housing Asset Management Strategy, as well as a commitment to the Regulator to achieve 100% decency across Council homes by 2028.
- The Council's Housing Income Collection Policy and Housing Arrears Policy establish how the Housing team will collect housing rents and recover arrears, and the team have a target of a 98.0% collection rate for rent & service charges relating to General Needs and Supported Housing. As of January 2026, this collection rate for 2025/26 has been exceeded, with a collection rate of 98.5%.

Value for money arrangements



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Summary of risk assessment (continued)

- In 2017 the Council entered into a Development Agreement with Lendlease to deliver the High Road West Scheme in north Tottenham. This is a large scheme aiming to provide 546 new Council homes as well as leisure facilities, retail and green spaces; however, delivery is currently stalled. Given the size of the scheme, effective delivery is critical to allow the Council to meet its ambitious targets to deliver 3,000 new Council homes by 2031 as part of its Housing Strategy 2024-2029.
- We are aware that Lendlease have announced that they have entered into a conditional agreement to create a joint venture partnership with the Crown Estate to deliver its UK development projects. If a viable route is found, and subject to a future decision by Cabinet, then the Scheme may be delivered by that partnership. The negotiations with Lendlease on these matters are ongoing and we will continue to monitor any future arrangements as part of our Value For Money work.

Temporary Accommodation

- As the local housing authority, Haringey has a duty to provide accommodation for adults who qualify for homelessness assistance, which it does for an average of c.2,700 households. There are three main types of Temporary Accommodation (TA): Private Sector Leases (PSLs), Nightly Paid Accommodation (NPAs) and B&B/Hotels. We have reviewed data pertaining to their cost & usage as part of the Council's Housing Demand Dashboard, inspecting several iterations of the dashboard throughout the financial year, up to January 2026.
- The Council's first preference is to use PSLs as these are more stable for the residents and procured at a much lower cost, followed by NPAs. However, as of January 2026 the number of households placed in PSLs was 265, reduced from an average of 343 across 2025/26, due to difficulties in attracting and retaining long term landlords in a competitive commercial environment.
- NPAs are the most common form of TA utilised, with 1,821 households placed in NPAs as of January 2026 - compared to an average of 1,492 households throughout 2024/25 – at an average net monthly cost of c.£1.5m throughout 2025/26, roughly £30 per night per unit.
- The use of B&Bs and hotels declined throughout 2024/25, however last year there was still an average of 172 households in such accommodation at an average net cost of £2,330/month per unit. The service has made significant efforts as part of the Hotel Exit Programme and as of February 2026 is no longer utilising any hotels/B&Bs for TA. This represents an important milestone from both a financial savings perspective, and resident experience & welfare.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

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Summary of risk assessment (continued)

- As detailed on page 22, a key driver of the overspend to date in 2025/26 has been TA. From our review of both the Council's own Housing Demand Dashboard data and wider benchmarking, we are aware that this is primarily driven by an increase in cost rate rather than demand. In fact, the number of households in TA within the borough has remained consistent over several years – with a marginal fall throughout 2025/26 – against a backdrop of increasing numbers of households in TA nationally and across London.
- The change in the mix of accommodation from PSL and B&Bs to NPAs has brought increased financial challenges, given that the average cost of NPAs has increased by 18% throughout the year, against a budget of 10%. However, the Council has been able to reduce the financial overspend from a forecast £11.4m as at Q1 to £8.8m as at year-end. This has been achieved throughout a variety of measures such as property acquisitions, rent convergence and investing in longer term leases – all of which mean that the service is currently forecasting full delivery of its savings programme (£3.4m).
- The Council is developing a Temporary Accommodation Strategy with the aim of building upon the large body of work undertaken to date. Increasing the supply of homes to allow residents to exit TA through new build and acquisitions is a key factor in managing the financial pressures of the TA budget, which emphasises the critical nature of the Council's plan to deliver 3,000 new Council homes by 2031.
- As of December 2025, there were 631 void properties across the Council, which could otherwise be used to support households into more permanent and sustainable accommodation. This is against the backdrop of a chronic lack of Council Homes in the borough - with the average wait time for a household in TA of 19 months for a 1-bedroom property, 6.6 years for a 2-bedroom and over 12 years for a 3-bedroom. The Council has now drafted a Voids Management policy, to be considered by cabinet later in 2026.
- Based on our initial risk assessment work, **we have not identified a significant risk** in achieving value for money in relation to Temporary Accommodation. Whilst the cost base for Haringey in respect of Temporary Accommodation has increased significantly, and there is a large overspend despite additional pressure built into the budget for 2025/26, there is a large portfolio of work already being undertaken – and beginning to take effect - to address these issues in the short to medium term.
- Additionally, Haringey Council performs well when benchmarked on the cost of its NPAs against other London boroughs and has made significant steps to reduce the number of people housed in Temporary Accommodation. Ultimately the overspend within the service is already reflected within the identified significant risk linked to cost setting & budget monitoring.

Value for money arrangements



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- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment (continued)

- We are aware that the Council is looking to explore the possibility of funding affordable housing through long term institutional finance. A paper was presented at the October 2025 Cabinet, with the report requesting approval to acquire housing via the development & incorporation of an LLP, which will select a suitable funder to provide financing. The Council estimates that this will save £9,000/year for every household moved out of TA. Whilst this has not yet progressed beyond initial scoping, we will continue to monitor any developments to assess for any potential Value For Money impacts.

Social Care

- The Council is forecast to spend just over 30% of its General Fund outturn on Adult & Social Services in 2025/26. The MTFS had £30.9m incorporated within it to account for ongoing pressures within Adult Social Care but despite this, as at Q1 it accounted for the second largest share of the budget overspend (£7.5m). This represents a 7% overspend on a £105m budget, showing how quickly pressures were felt within the service. This has been reflected within our regular meetings with senior officers throughout the financial year, with Adult Social Care being highlighted as an ongoing concern.
- By Q2 this position had somewhat improved, with an overspend of £4.7m, albeit with an additional £1m non-delivery of savings, giving a total £5.7m shortfall. As at Q3 this improved again by £831k, with a current position of a £3.9m overspend and £918k non delivery of savings (£4.8m overall shortfall). This suggests that although the initial budget may not have captured all the known pressures, that the service reacted positively in-year to bring the overspend under control.
- The issue of critical pressures within Adult Social Care is not specific to Haringey Council. We have obtained a copy of the Autumn 2025 Directors Of Adults Social Services (ADASS) Survey which highlights that 80% of Councils are forecast to overspend on Adult Social Care in 2025/26, totalling a £623m overspend vs budget, increasing from £564m in 2024/25 and representing the highest level in over a decade. As detailed above, the forecast overspend as at Q3 was £4.8m on a budget of £105.5m (4.5%), slightly higher than the ADASS survey average of just 3% across the sector. However, this is a significant improvement from the 24/25 final position, which had an overspend of £15.8m (19%) on a budget of £79.7m.

Value for money arrangements



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Summary of risk assessment (continued)

- We have inspected the Adult Social Care monitoring dashboards used by management to track the number of users & committed expenditure throughout the year. These reflect the consistent inflationary pressures felt within the service, as well as the increasing numbers of users over the last several years – the numbers of older adults have increased by 34% and younger adults have increased by 30% between 1 April 2019 and 31 July 2025.
- During 2025/26, the number of adults aged 18-64 in receipt of a care package continues to increase – 1,933 as at Q3 vs 1,907 at Q2 and 1,791 at the outset. However, the current number of adults aged 65+ in receipt of a care package has stabilised – with 2,038 as at Q3 vs 2,059 at Q2. As per the Local Government Association data, both cohorts are supported by Haringey Council in higher numbers than other London boroughs (as per the below table), suggesting that structural population & health factors are a key driver of increased and sustained cost. This table illustrates the percentage of the borough's population being supported in long term care during 2024/25. Overall spending will also be impacted by deprivation levels, with Haringey ranking 26th among all English single-tier and county Councils and above the London average on the deprivation index.

Cohort	Haringey	London Average	Difference
Adults age 18+	2.13%	1.82%	+17%
Working age adults (18-64)	1.09%	0.86%	+27%
Older Adults (65+)	8.39%	7.43%	+13%

External Regulatory Findings – Adult Social Care

- The Care Quality Commission (CQC) inspected Haringey during 2024/25 and published its report in February 2025. This rated the Council as 'requires improvement', in how well it is meeting its responsibilities to ensure people have access to Adult Social Care and support.

Value for money arrangements



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Summary of risk assessment (continued)

- The report did note some points of good practice, particularly around the demonstration of a commitment to transformation and improvements, as well as the introduction of a more local approach to make it easier for people to access care and support closer to home. This is reflected within the Council's Adult Social Care Strategy 2024-29 and in terms of benchmarking, data showed 92% of people supported were still at home after 91 days, which is better than the England average of 83.7%.
- However, it also referenced that people are waiting too long to have their care needs assessed and were frustrated with the communication around this. This ties into our findings from the 2024/25 Value For Money work around the financial assessment of clients. We have reviewed progress made in this area and as of January 2026 the backlog has reduced from 794 (June 2024) to 415, and work has commenced on 288 of the remaining cases, showing significant progress in reducing financial risk to the Council. However, the overall debt position has now increased from £10.7m in July 2024 to £15.5m as of December 2025, driven by the increased number of assessments made. To combat the increasing debt, the Council is looking to implement several measures over the short to medium term, such as income collection via a variable direct debit and a refresh of the Charging Policy to improve transparency and fairness.
- We are also aware that the Local Government & Social Care Ombudsman (LGSCO) has issued a public report (Ref: 24 014 203) in August 2025 following an investigation into a complaint concerning Adult Social Care. The ombudsman upheld the complaint and found fault and injustice relating to delays in responding to safeguarding concerns and shortcomings in complaint handling.
- Within 2 weeks of receiving the LGSCO's report, the Council was required to give public notice by advertisements in newspapers stating that copies of the report will be available to inspect by the public for a period of three weeks (s.30 of the Government Act 1974), and the Council complied with this requirement. We have inspected the report and noted that it found the Council at fault and made several recommendations – including for the Council to implement an action plan and take the report and subsequent plan through Cabinet. The Council has since produced an action plan and taken the details to the November 2025 Cabinet.
- A key detail of this report was that at the time of investigation, the Council had over 1,100 unread emails in the social care inbox, including over 500 police reports. This has significant potential consequences including reputational risks and issues of regulatory compliance, should the Council have been found to fail to take action on a case that was referred to them by the police.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment (continued)

- However, ultimately the period referred to is before 2025/26, and the Council has confirmed as part of the update to Cabinet that the historic practices that lead to this backlog have changed fundamentally since the events that gave rise to this case. The action plan notes that the Council no longer has a backlog of unread emails and all safeguarding concerns are triaged in a timely manner. Additionally, relevant staff have received training and complaint handling is being improved.
- In response to the CQC findings, the Council is also implementing an Adult Social Care Improvement Plan, aiming to build on the progress made to date with a clear, phased approach to strengthening the service and embedding sustainable improvement over the next 2-3 years. Although this plan appears to offer a thorough response to those areas of greatest concern, given it has just been published close to year-end, it is too soon for us to comment on its implementation.
- Given the overspend in year, how quickly the financial position deteriorated and the 'Requires Improvement' regulatory finding, **we have identified a significant risk** that the Council did not have adequate processes in place to ensure that Adult Social Care spend was sufficiently forecast and managed, or that financial contributions from patients were assessed and recovered in a timely manner.

Commercial Property

- In our prior year work we identified a significant risk and corresponding weakness in relation to the lack of record keeping in relation to leases. This leaves the Council exposed to potential liabilities for unexpected maintenance or legal claims relating to health and safety, as well as missing out on vital income in the form of uprating rental values and collecting backdated payments. This remained the case during 2025/26; hence we continue to identify a **significant risk linked to Commercial Property**.
- As at the date of our risk assessment there were 348 leases that are holding over on rent, meaning that Council does not have these commercial tenants secured on long term leases to ensure a reliable revenue stream, increasing the risk of sudden voids. This figure is due to increase significantly over the next 12 months, highlighting that the renewal of leases to secure longer-term income is a key priority.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment (continued)

- Additionally, there were 263 leases with an outstanding rent review, meaning that the Council is missing out on a potentially significant amount of income by ensuring that rents are increased in line with market conditions. The Council does not forecast potential rent increases from this review process into the budget setting for the service or within the financial statements, meaning that not all rents owed are included within these figures, as the team are not able to accurately forecast these pre-review.
- Due to resource constraints, the team were only able to complete 21 lease renewals and 11 rent reviews during 2025/26 (though this is a marked increase from 2024/25 of 8 renewals & 2 reviews). This is a source of missed opportunity for the Council as the renewals proved particularly fruitful with an average rental uplift of 64% and an average new lease period of 12 years, securing medium-term income.
- The Commercial Property monitor vacant properties via Excel spreadsheet in the absence of a system solution. This shows that the number of vacant properties is 40, with an average time empty of over 6 years due to a wide variety of reasons.
- There is insufficient data held to allow the commercial property team to effectively monitor and forecast repairs, often having to manually review leases to confirm who is the responsible party for repairs when a request is made. Even when a repair is logged and ongoing issues are brought to the attention of the commercial team, they have no effective solution to record the information and often reliance is placed on knowledge held by members of the commercial property team.
- The Council does not have a formalised process and system solution for monitoring and chasing commercial property arrears. Due to ongoing issues with accounts incorrectly showing credit balances due to issues with payment allocations, it is a resource intensive exercise to ensure that accounts in arrears are appropriately identified, and action taken. The team are now focussing more resource on the largest 20 debtors which now total circa £2.5m – increased from £1.8m a year ago - however a more efficient and effective approach needs to be adopted.
- The commercial property has created a business case for a 'Property Review', which aims to consolidate and reset the baseline of the Council's information in relation to its commercial property portfolio over a period of 24 months. This is key given the poor quality of underlying data, the conflicting information from different sources and the potentially significant amount of lost income in the coming years. However, it has not yet received sufficient time or resource to progress to a stage where it can begin to be implemented given the competing pressures across the Council for transformational change.

Value for money arrangements



Improving Economy, Efficiency And Effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment (continued)

Other

- The Council's Childrens' services were inspected by Ofsted in March 2026, with the final report giving the Council an Outstanding rating. In particular, the report highlighted strong leadership, exceptional social work practice and a culture where children's voices shape decision making at every level.
- We note that we are not aware of any new material outsourcing in year, and in fact that Council maintains an Insourcing Policy to attempt to achieve increased value for money.

Risk assessment conclusion

Based on the risk assessment procedures performed, we believe that the following significant risks raised in the prior year are still present during 2025/26:

- The Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received.
- There is a lack of oversight and processes in place for the effective management of the commercial property portfolio across areas such as leases, repairs and health & safety, which could impact the Council's return on investment.
- The Council does not have adequate processes in place to ensure that Social Care spend is sufficiently forecast and managed in light of the 'Requires Improvement' CQC findings, or that financial contributions from patients are assessed and recovered in a timely manner.

We will perform further procedures in response to these risks and provide our conclusions as part of our Auditor's Annual Report.

Appendix

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Rebuilding assurance: Risk assessments results

LARRIG 06 sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024, specifically its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in LARRIG 05.

Specifically, we have completed the following risk assessment procedures:

- Entity and process level risk assessment procedures;
- Review of Statements of Accounts from disclaimed years;
- Review of committee minutes from disclaimed years as well as media review from internal & external sources;
- An assessment of the revenue budget setting and monitoring, including reserves, and capital during the disclaimed period; and
- Inquiries, with regards to changes to the Authority during the disclaimed period.

The risk assessment has identified risks of material misstatement we need to complete procedures to address the risk of material misstatement. The table below identified the risks of material misstatements, the procedures to address the risks and the likely audit year we will complete the work.

#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Audit year we have planned the procedures
1	Expenses for purchases of goods or services are not accurately recorded or have not occurred	The General Fund balance was £99.5m as of 1 April 2020, increasing to £132.2m as of 31 March 2021 and has subsequently fallen to £67.4m as of 31 March 2024. During this period there has been no substantive work over expenditure, so KPMG will perform substantive procedures to address this risk, in which a sample of expenditure from these years will be agreed to supporting evidence. We note that we were unable to obtain assurance over Social Care expenditure in 2023/24 due to issues with gaining supporting evidence to underpin the historical Social Care system, which was migrated away from in year. As such, issues with providing this evidence for the disclaimed period would need to be resolved.	2027/28
2	Income is recognised for arrangements that: - Do not meet the definition of a contract; or - Do not exist	As above, there have been material movements within the General Fund balance over the disclaimed period. The nature of the Council's income streams are of a more straightforward nature that expenditure, due to the routine & predictable nature of items such as government grant income, council tax and business rates income. As such KPMG will perform analytical procedures over income received in the disclaimed period.	2027/28
3	The revaluation adjustments in relation to Property, Plant and Equipment (PPE) are not appropriately identified or classified or are not accurately recorded	The Revaluation Reserve was £788m as of 1 April 2020, which increased to £1,287m as of 31 March 2024, in which period there was no substantive work over the valuation adjustments. KPMG will perform substantive testing over the reserves movements resulting from external Property Plant & Equipment valuation reports during the 2020/21 – 2023/24 period. We also note significant issues with the reliability of the underlying information that drives the valuation of Council Dwellings – namely the Beacon assignments. The Council have not been able to satisfactorily evidence the archetype of each property within the fixed asset register. Additionally, we will need to perform substantive testing over Additions & Disposals within this period.	2027/28

Rebuilding assurance: Risk assessments results (cont.)



#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Audit year we have planned the procedures
4	Grants within the Capital Receipts Reserve do not exist or have not been recorded accurately.	The Capital Receipts Reserve has increased from £37.9m as of 1 April 2020 to £74.4m as of 31 March 2024. KPMG will test a sample of Capital Grants received during the disclaimed period back to sufficient supporting evidence in the way of grant agreement and cash receipt.	2026/27
5	Grants within the Capital Grants Unapplied Accounts do not exist or have not been recorded accurately.	The Capital Grants Unapplied Reserve has increased from £47.8m as of 1 April 2020 to £62.1m as of 31 March 2024. KPMG will test a sample of Capital Grants received during the disclaimed period and confirm the consistency of the use of the grant to Capital Expenditure (consistency with the Capital Financing Requirement (CFR)).	2026/27
6	Risk Of Fraud	We identified a historical fraud that occurred during 2023/24 linked to Housing. The conditions that allowed this fraud to occur were present in the disclaimed periods; hence KPMG will perform significant risk assessment work to stratify the transaction listings and identify potential indicators of fraudulent activity, such that we can be satisfied that the risk of a material misstatement due to fraud in the disclaimed period is sufficiently low. This work will require thorough management investigation, in a similar manner to the work conducted over the 2024/25 expenditure to allow KPMG to conclude over the risk of fraud in that year.	2027/28
7	Management Override Of Controls - Journals	The risk of management override of controls is a mandatory significant risk on every audit. KPMG were unable to obtain assurance over journals during 2023/24 or 2024/25 due to issues in extracting & analysing the data in a timely manner. There was also no work performed over journals during the disclaimed period. KPMG will extract the journals data for these periods and assess the potential risk of fraud to the wider financial statements, as well as ensuring completeness of the populations.	2027/28

We note that the above risk assessment has identified a large body of work which must be completed in order to build back assurance, which will require significant input & engagement from management over a prolonged period of time. This may provide additional challenges to the Council given the age of the transactions and the turnover of key finance staff involved in the compilation of the accounts and supporting workpapers.

Although we have provided an estimated timeframe for completing this work as per the table above, this substantive work will be predicated on the following assumptions: ensuring that high quality working papers, reconciliations and listings are made available; supporting evidence for transactions within the disclaimed period is available and is of a high quality, with supporting rationale available; and the successful resolution of issues that have prevented KPMG concluding our work within 2023/24 and 2024/25 such as the Social Care system migration, analysis of potential fraudulent activity as a result of the historical housing fraud and the extraction of journals data.

MHCLG – Capacity assessment template

We have included below and overleaf key elements of the capacity assessment as requested by MHCLG (Categories as per page 3).

Expected timing of build-back work

	Audit area	Audit for the year ending 31 March						Unable to rebuild	
		2025	2026	2027	2028	2029	Later	Cat C	Cat D
	Risk assessment		X						
	Statutory reserves				X				
	Property assets			X					
	Working balances							X	
	Other audit work – Journals, Historical Fraud							X	

Expected audit opinions

	Audit area	Audit for the year ending 31 March						Unable to rebuild	
		2025	2026	2027	2028	2029	Later	Cat C	Cat D
	Audit opinion 1								
	Transfer to qualified opinion							X	
	Transfer to unmodified opinion							X	

Whilst we note above that some elements of the build back work may be possible to be completed within the required timeframe, there remains significant technical and practical constraints in place as detailed on pages 47 & 48. The transfer to a qualified opinion implies that the lack of audited reserves is not pervasive, which KPMG do not believe is the case given the wider financial context that the Council finds itself in and the ongoing challenges it faces.

MHCLG – Capacity assessment template



Overall assessment

The categories below are those MHCLG has described and requested for categorisation.

Audits that **are capable** of supporting an ISA-compliant approach to return to an unmodified opinion within the build-back period (up to and including audit year 2027/28):

A - audits expected to be relatively straightforward and able to sustain an ISA-compliant approach without significant difficulty.

B - audits that are in theory capable of supporting an ISA-compliant approach, but where significant operational difficulties are likely, e.g. inability to obtain some key records or evidence of the operation of some key controls, or where the audited body needs to re-establish the internal mechanisms to support the audit process.

- Difficulty obtaining evidence such as key documents, evidence of operation of key controls, or explanations of historic transactions
- Complex arrangements such as subsidiaries, joint ventures or specialised assets
- Scale of the audit work required, e.g. due to number of years outstanding
- Constraints on auditor's capacity.

Audits that are **not capable** of supporting an ISA-compliant approach by the end of the build-back period (up to and including audit year 2027/28)

C - the audited entity has adequate systems to provide the necessary evidence in principle, but practical constraints mean that ISA-compliant build-back is unlikely by the end of 2027/28. Practical constraints may relate to accessibility of evidence, organisational capacity, or the scale and complexity of the audit.

D – major systemic problems with financial management, governance or accounting systems. There are pervasive weaknesses in systems of financial reporting and internal control such that the auditor judges the conditions do not exist for an ISA-compliant audit to be completed in the foreseeable future.

We have categorised your audit as **Category C**. Please see further details overleaf.

MHCLG – Capacity assessment template



Reasons for assessment

The main reasons for our assessment as **Category C** against the MHCLG categories are:

Significant technical challenges, in particular:

- Statutory reserves: As set out on pages 43 & 44, in order to rebuild assurance over reserves, KPMG will be required to perform substantive testing where there has been significant movements during the disclaimed period. In the case of Haringey London Borough Council, this will involve substantive testing of Income & Expenditure, the year-on-year valuation of Land & Buildings, and the receipt and application of grants received.

During the 2023/24 audit, KPMG noted issues in obtaining evidence relating to the legacy Social Care system that was transitioned away from during the year. We would require supporting evidence relating to the transactions using this system during the disclaimed period.
- Asset valuation: The Council has been unable to provide supporting evidence to confirm the reliability of the Beacons assigned to each property within the Council Dwellings category of Property, Plant & Equipment. This gives rise to the risk that dwellings are incorrectly valued by the third-party valuer, as they rely upon receipt of accurate property information. The Council will need to undertake an exercise to be assured over the reliability and accuracy of this information and be able to provide supporting evidence outside of its digital record keeping system, Northgate.
- Historical Fraud: During the 2023/24 audit we became aware of an instance of fraud within the Housing directorate. The conditions that allowed this fraud to occur were also present during the disclaimed period, and so we will require management to undertake risk assessment over this period to ascertain the likelihood of the same fraudulent activity having occurred. KPMG will also involve its specialist Forensics team to investigate and assess this work.

Capacity of the audited body to support the audit process, e.g. in terms of:

- Timeliness and quality of supporting transaction listings;
- Working papers and availability of other audit evidence, in particular in relation to historical transactions where the key officers involved may no longer be with the organisation; and
- Capacity of finance team, given the existing pressures to complete the audit of the 2025/26 financial statements before the backstop date.

Further detail on these issues is set out overleaf.

Rebuilding assurance - issues from the 2024/25 audit



In the table below we add additional commentary for those areas which meant we could not obtain sufficient and appropriate audit evidence during the 2024/25 audit, outlining the key areas for improvement and next steps to facilitate a full audit for next year.

#	Item of account	Key drivers of lack of assurance	Recommended next steps
1	Delays in Response to Audit Requests	There were several delays from Management or other relevant officers in providing the required information such as underlying listings to sample from or evidence for samples selected. Requests were sometimes concentrated to one or few officers which increased pressure for them to provide timely responses. There were also requests assigned to officers who were not the most suitable for providing responses.	We have had communications with Management to improve the process for making audit requests and monitoring the progress of responses. The discussions also involved considerations to the most appropriate officers to respond to requests, including the audit team having more direct communications with the service area/officers gathering the evidence, rather than allowing this process to be concentrated with a few contacts in the finance team.
2	Quality of Transaction Listings	We faced issues with several crucial transaction listings provided by Management. This included listings which were not appropriately sanitised and contained contra-transactions, increasing the level of work required to gain assurance. Another issue regarding listing quality was the lack of clarity regarding the nature of the transactions, for instance we were unable to effectively separate manual journals from invoiced transactions, which bear different risks and audit approaches.	We have communicated with Management on the procedures we intend to perform as well as the purpose of these procedures. From this we have discussed the type of transaction listings we require from Management to help us achieve the objectives and will be actively working with Management to help improve sampling efficiency.
3	Quality of Audit Evidence	Some of the audit evidence provided by management was not sufficient or appropriate for the purposes of our testing. Some examples of this was evidence that lacked the clarity needed for the audit team to accept or an internally produced document would be provided which was not appropriate audit evidence. Most often, this would result in the audit team rejecting the evidence and more time invested by officers and the audit team in gathering and reviewing evidence, reducing efficiency. However, this has also resulted in us being unable to conclude over the valuation of Council Dwellings (part of our significant risk) due to the doubts over the reliability of Beacon data provided by Management to the valuers.	Like above, we will be engaging with Management and any other relevant officers to understand the evidence that can be provided, and where applicable, tailoring our procedures. We will also be working with Management to resolve any issues encountered for procedures performed in the prior year audit. We will continue to discuss Management's approach regarding the reliability of Beacon data.

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. He will lead our audit work, attend the Audit 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, 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 and Value For Money work.		Richard Yang is the Assistant Manager responsible for our audit. He will be responsible for our on-site fieldwork and complete work on more complex sections 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 the partner's third 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 2026 – January 2027

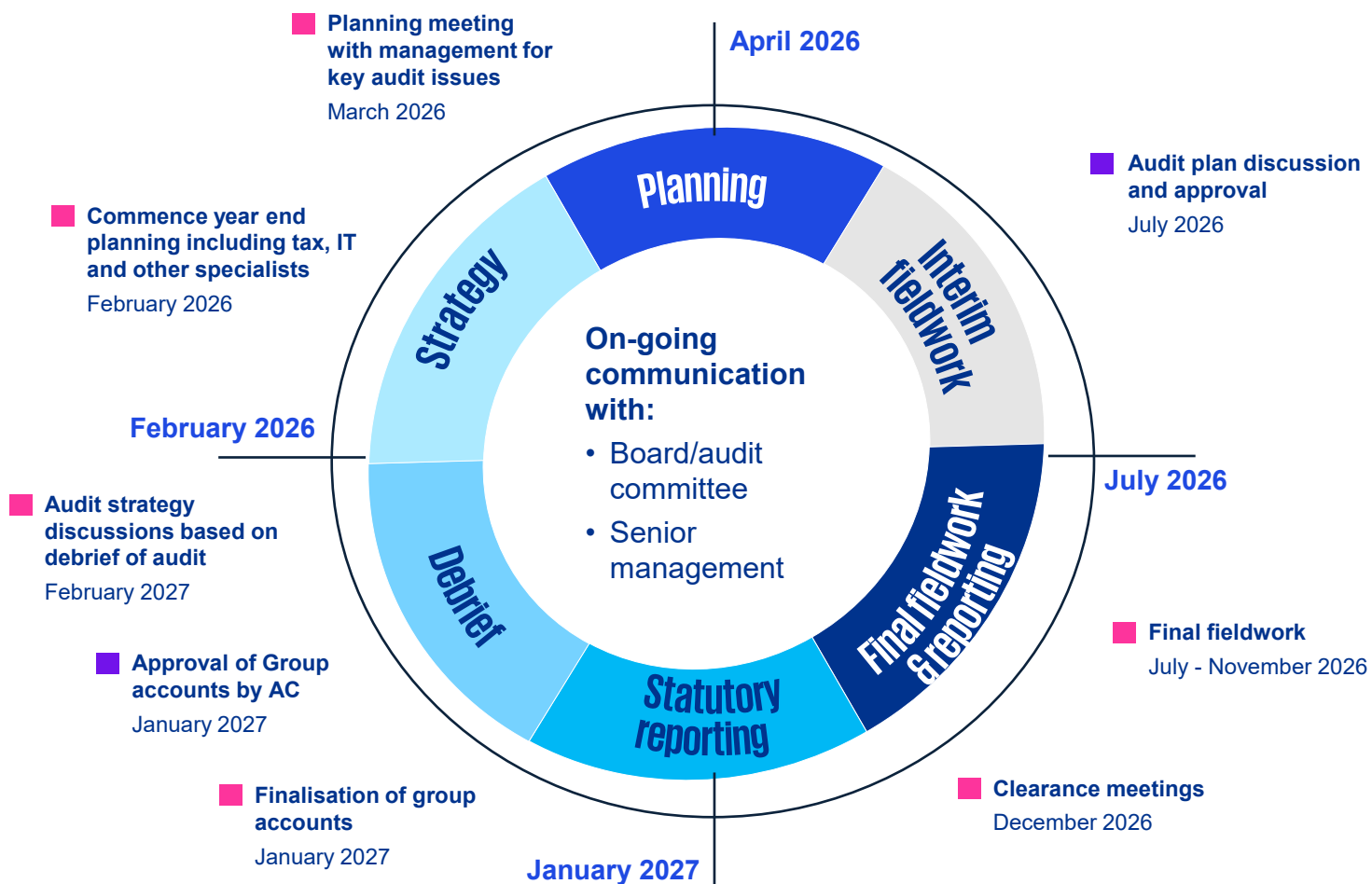
Key:

■ Timing of AC communications

■ Key events

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 January 2027, as per the backstop date.



Fees

Audit fee

The audit fees for the year ended 31 March 2026 are set out below:

	2025/26 (£'000)	2024/25 (£'000)
Scale fees as set by PSAA	555.2	532.5
Agreed PY fee variations	-	93.9
Agreed current year fee variations **	TBC	-
Build back fee variation *	TBC	
TOTAL	555.2	626.5

* See page 3 for more information on rebuilding assurance

** We note we are expecting fee variations for the following areas in 2025/26 and will advise of the level as work progresses:

- LGPS Triennial valuation TBC
- VFM Significant Risks TBC
- Issuing of a statutory recommendation TBC
- Final resolution of an objection to the 2023/24 accounts (£5,306)

Fee variations are subject to PSAA approval.

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 files are completed to an appropriate standard (we will liaise with you separately on this);
- statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- The Council's audit evidence files are completed to an appropriate standard (we will liaise with management separately on this);
- 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.
- There are no VFM significant risks

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/directors 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 relating to the year ended 31 March 2026
1	Housing benefit grant certification	None identified	- The engagement contract makes clear that we will not perform any management functions. - The work is performed after the audit is completed and the work 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	£26k
2	Teachers' Pensions audit	None identified	- The engagement contract makes clear that we will not perform any management functions. - The work is performed after the audit is completed and the work 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	£8k
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 after the audit is completed and the work 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	£8k

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 0.08:1. 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.

2025/26	
£'000	
Scale fees	555.2
Other Assurance Services	42.0
Total Fees	597.2

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 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

How we will Collaborate with KPMG Clara collaboration (KCc)



We have successfully deployed KPMG Clara collaboration for Haringey London Borough Council since the commencement of our audit contract, bringing online collaboration features to the audit. The initial implementation has been successful, and we will continue to deploy additional features over the coming years.

What is KPMG Clara for Haringey London Borough Council?

- Your gateway into the audit - a dynamic, tailored homepage with real time alerts
- Prepared by management ("PBM") functionality, providing an intuitive user interface for Haringey London Borough Council to securely provide KPMG with the required information and to track the status of KPMG's requests.

Additional features to be deployed through the course of the audit:

- A dedicated and user-friendly space to easily share and collaborate on documents
- Access to the results of our digital audit procedures, through interactive data visualisation and dashboards.

What have we achieved so far?

- KCc approved for use by Haringey London Borough Council
- Access for Haringey London Borough Council's users setup through single sign-on
- Guidance to Haringey London Borough Council users on the functionalities.
- Provided support to Haringey London Borough Council users on technical queries.
- Use of PBM functionality for the across multiple audit phases and other reporting (i.e., VFM)

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

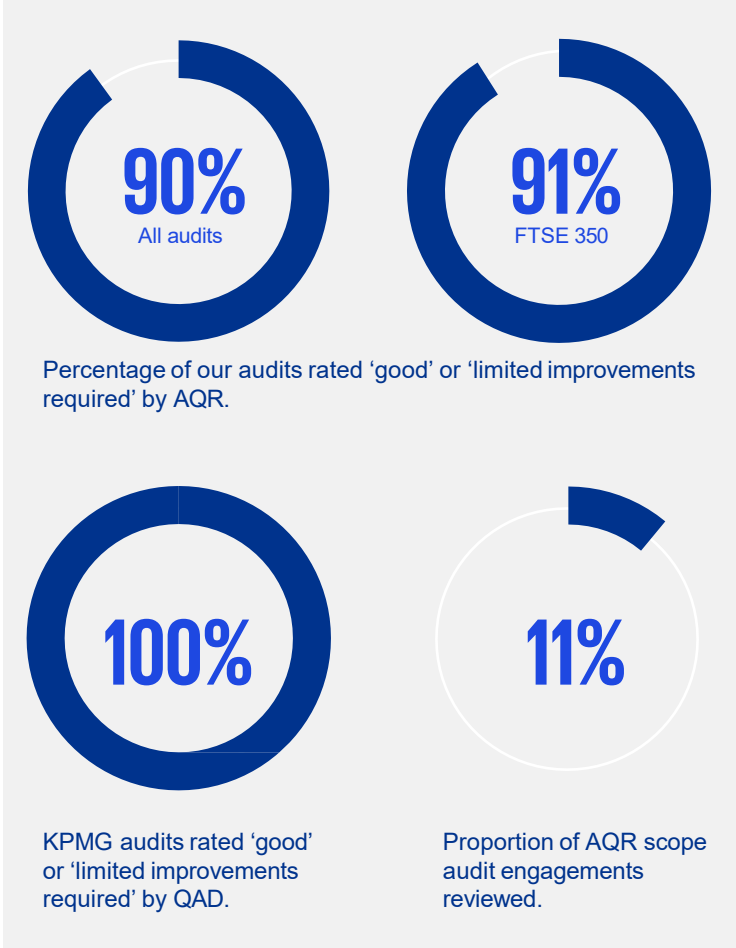
■ Clear standards & robust audit tools

- 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

2025 AQR results



The FRC published reports on the findings of AQR and QAD 2023/24 inspection of KPMG and the other tier 1 firms (which largely covered years ending between August 2023 and March 2024) on 15 July 2025

Key findings	Our response	Good practice identified
Estimates “Improve the quality and consistency of the audit of estimates in the valuation of investments and provisions.”	A targeted programme to support engagements which have estimates with certain characteristics has been initiated. Alongside this, we continue to invest in our training and culture programmes to reinforce the behaviours expected, including consistent application of a critical thinking mindset and the extent of evidence expected.	At an engagement level areas of good practices were identified including: • Risk assessment and planning including bribery & corruption, climate and provisions; • Audit of provisions; • Audit of impairment • Use of specialists; • Group audit oversight; and • Stand-back assessment.
Consolidation and other journals “Improve the quality of the audit of consolidation and other journals.”	Enhanced guidance and continuation of a centrally led process designed to challenge the journals approach at an engagement level, together with additional targeted training are helping us to reduce the recurrence of findings in this area.	Good practices were identified in various areas at the firm level including identification of SOQM deficiencies, component auditors compliance with the ethical standards, the continued roll out of the Ethics Programme and the development and use of new technology.

The Audit Quality Review (AQR) team of the Financial Reporting Council (FRC) undertakes independent inspections of the overall quality of the audit work of those UK audit firms that audit listed and other major public interest entities. The AQR inspections involve a number of file reviews at each firm visited. The result of these file reviews are summarised into three main categories as follows:

- Good or limited improvements required;
- Improvements required;
- Significant improvements required

KPMG LLP
Audit Quality Inspection and Supervision
July 2025



kpmg.com/uk

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Document Classification: KPMG Public

Report for: Audit Committee 23rd July 2026

Item number: 8

Title: Draft Statement of Accounts 2025/26

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

Lead Officers: Kaycee Ikegwu, Chief Accountant - kaycee.ikegwu@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 Draft Statement of Accounts 2025/26.

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. Previously, the draft statement of accounts needed to be prepared and certified by 31st 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 January 31st, 2027, for the 2025/26 accounts.
- 6.9. It also requires the draft accounts to be published by the 30th of June 2026. These regulations were introduced approved in order to clear the national backlog of local authority audits.
- 6.10. In the production of the Councils accounts for 2025/26, the Council met the requirement for draft accounts to be published by 30th June 2026.
- 6.11. The 2025/26 draft statement of accounts highlights the Council performances and achievements during the year. General fund balances (including schools) were £52.3m as at the 31 March 2026 (£52.2m on 31 March 2025). The Housing Revenue Account (HRA) working balance was £15.9m as at the 31 March 2026 (£20.1m on 31 March 2025).
- 6.12. The Council maintained relatively the same level of General Fund balance as at the end of March 2025 because this was after the application of exceptional financial support funding of £40.6m in 2025/26. Further details of Council's revenue outturn are contained in narratives to the statement of accounts.

- 6.13. The Council's net asset increased by £41m in 2025/26. There was net increase of £136m and £68m in long-term assets and current assets respectively. These increased were partly negated by net increases of £151m and £12m in long-term liabilities and current liabilities respectively.
- 6.14. The narratives to the statement of accounts contains the financial performance highlights (pages 12-16) and the medium-term outlook of Haringey (pages 17).
- 6.15. 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 and presented to Audit Committee in January 2027.
- 6.16. The Public Inspection period will commence from 10am, Wednesday 1st July 2026. It will end at 4pm on Tuesday 11th August 2026. 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 2026.

Next Steps

- 6.17. Our external auditors, KPMG, will commence the audit of 2025/26 statement of accounts on 13th July 2026. On completion, the final accounts, the Audit findings and the Auditors Annual Report will be presented to the Audit Committee in January 2027.

7. Contribution to Strategic Outcomes

- 7.1. Not relevant.

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 2025/26

10. Background Papers

- 10.1. Not applicable

London Borough of Haringey Draft Statement of Accounts 2025/26

30 June 2026

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 2025/26 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.

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 can do even more for 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

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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 continues to be behind its 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 (83%) 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 as of the 2021 census was 264,300 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. Thirty eight percent (38%) of residents are from BAME groups and 22% identify as "white other". Children between the ages of 0-17 years accounts for 21% of the population. Residents aged 65+ accounts for 10% 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 30% 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 risen again after a period of improvement. Haringey workers and residents now tend to earn the London median wage, and median hourly pay among Haringey workers has overtaken London and statistical neighbour average. The proportion of residents earning below the London Living Wage is still higher than the London average

Haringey is ranked 33 out of the 294 local authorities in England with respect to deprivation and is the 3rd most deprived in London as

measured by the IMD score 2025. The Index considers a range of deprivation types, including income, employment, education, health, crime, barriers to housing and services and living environment. Northumberland Park is now the most deprived ward in London.

Haringey's economy is predominantly driven by small businesses, with 93.9% employing fewer than 10 people. Key sectors include wholesale and retail trade (18.2%), health and social work (19.0%), real estate and business activities (15.3%), and education (12.18%).

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

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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 CDP covering the period 2025/26 was approved by Cabinet in July 2024 and can be found here – [The Corporate Delivery Plan 2024-2026 \(haringey.gov.uk\)](#). This is the final year of the current plan and 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.

HOW HARINGEY HAS HELPED RESIDENTS IN 2025/26 AND DELIVERED ON ITS PRIORITIES

The Council reports on its performance against the Corporate Delivery Plan every 6 months to Cabinet and Overview and Scrutiny Committees. Some of these achievements are listed below but the final report on delivery against the CDP was presented to Cabinet in March 2026 [Corporate Delivery Plan Performance Update-Quarter 3 Cabinet 10_03_26Final.pdf](#)

Homes for the Future

As of 31 March 2026, we completed 1,164 new homes with a further 44 awaiting Building Safety Regulator approval (due to being a high-rise building) - giving a total of 1,208 new council homes and a major milestone in the Council's Housing Delivery Programme. In addition, 2,702 Council homes received planning permission and works started on site to deliver further 1,388 new homes across 22 schemes. These contribute to Haringey's target of 3,000 new homes by 2031 under an award-winning housebuilding programme.

There have been Decent Homes improvements with 675 properties brought to decency standards this year and Regulatory improvements with 1,416 rental licences issued and 1,360 inspections conducted. The Housing Improvement Plan is on track, and the Regulatory Notice was lifted in Dec 2025. Through redesigned triage pathways, improved Temporary Accommodation move-on processes, and targeted support for families, the Council reduced the number of families in Bed & Breakfast to zero by Feb 2026 and 2,630 households in temporary accommodation.

Partnership working has also been yielding results including joint work across Housing, Adult Social Care, Localities and VCS having strengthened homelessness prevention. Our multi-agency approach has improved Temporary Accommodation turnaround and decants

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block usage.

Place Improvements and The Economy

A number of major improvements have started or completed across the borough.

Tottenham regeneration milestones have been delivered including Bruce Grove public realm (Jan 2026) scheme which has increased accessibility, safety, and trader confidence — forming a key anchor for wider Tottenham regeneration. Seven Sisters Market reopened in Oct 2025 and Penstock Tunnel upgrades were launched in Feb 2026 and opened in June 2026. Wood Green improvements including Wood Green Common & Barratt Gardens upgrades and Eat Wood Green space have been launched and Culture has been integrated into placemaking with night-time economy methodology completed and the Libraries Strategy agreed.

We have resurfaced 188 roads, re-laid 86 pavements, and installed nearly 300 electric vehicle chargers to support cleaner, greener transport. We have filled 5,399 potholes, installed 282 new streetlights, added 239 on-street bike hangars and 13 estate bike hangars and introduced 34 School Streets, protecting 16,000 pupils.

Libraries and play areas have been refurbished, including 5 playgrounds that have been fully renovated. In our parks and green spaces, 21 have already seen improvements, with investment committed to a further 8 and our 4 leisure centres are now publicly run, with £6m more investment planned.

Culturally Rich

Haringey is a vibrant hub of culture and opportunity. We have been named London Borough of Culture for 2027, a fantastic opportunity to showcase our community's stories and voices.

Our [Haringey Deal](#), a commitment to collaboration with residents, has seen 37,000 people contribute to our public engagements. We're actively engaging with local people through initiatives like the Haringey Business Forum, Climate Partnership, and Youth Council, tapping into their strength and expertise.

We have completed an Arts & Culture Strategy and are developing a Creative Youth Strategy and significant progress has been made on London Borough of Culture activities.

Young people delivered creative performances for the Black History Haringey 365 (BHH365) launch which engaged 8,000 residents.

Young people were involved in the recruitment of the CEO for Haringey Culture Collective and the recruitment of the LBoC branding agency. The 12th annual Haringey Youth Festival took place on Saturday 1 November at Jacksons Lane, bringing together hundreds of young people and arts supporters from across the borough.

Bruce Castle Museum (BCM&A) with colleagues in Haringey's Youth Engagement Team, provided the platform to support young candidates delivering their manifestos for Haringey's first Youth Election of leaders for the Youth Panel in October 2025.

BCM&A supported five Haringey young people in the autumn term undertaking secondary school and university education with organised placements to gain experience of working in a museum

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and archive.

Children and Young People

The Council supported more than 5,000 children through children's social care. Partnership working is yielding results with an Integrated Family Hubs model connecting health, education (working in collaboration with schools), early help and Voluntary and Community Sector providers. This has resulted in integrated multi-agency support, enabled faster referrals, better coordination, and improved school readiness – all of which is improving outcomes for our young people. Four new family hubs are now open in Wood Green, Northumberland Park, Muswell Hill, and Seven Sisters

Over a two-week period in January 2026, Ofsted examined the experiences of children and young people receiving care, help and protection from the council, as well as efforts to improve these services. As well as the overall judgement of Outstanding, inspectors highlighted the positive impact of leaders on social work practice with children and families, and the experiences and progress of care leavers.

98% of our schools ranked 'Good' or 'Outstanding' providing young residents the best start in life and SEND services achieved the highest OFSTED rating and £47m investment into school repairs and renovations

The expansion of support Special Educational Needs support is underway, including Social Emotional and Mental Health and Autism Spectrum Disorder provision strengthened across primary and secondary education and the voice of young people has strengthened, with the Youth Council elections receiving 1,500 votes.

Responding to the Climate Emergency

In the year, 223 trees were planted and we are on track to plant a further 395 trees in 2026/27, with good progress being made towards our target to plant 10,000 trees by 2030.

On Greener choices our partnership working is yielding results with Fixing Factory delivered through community and VCS collaboration and One World Living pledge aligning Haringey with regional partners. The recycling rate increased to 30.1% and textile banks and reducing waste contamination campaigns have been rolled out. The Single-Use Plastics Policy was adopted in the year, and the Climate Adaptation Plan was approved (2026–31). Transport improvements have been introduced, including 20mph zones, safer crossings and more, cycle bays.

Adults Health and Welfare

The Council has supported almost 3,920 vulnerable residents through adult social care. The Adult Social Care Improvement Plan progressing across assessments, workforce, and co-production and the Carers Strategy has been launched, with stronger governance. The Voluntary and Community Sector is strong with 60 organisations now supported.

We are tackling financial hardship with targeted multi-agency outreach helping residents access discounts and avoid crisis escalation. This partnership working is yielding results whereby Welfare & Benefits, Family Services Team and partners are driving increased uptake of support schemes and Voluntary and Community Sector organisations are increasingly embedded in prevention work.

Government funding through the Household Support Fund of £4.2 million was welcome and has been used to support some of our

NARRATIVE REPORT

most vulnerable households across the borough as summarised below. This is in addition to the 1,540 households that accessed our benefits calculator leading to £1.7m of unclaimed benefits and 1,687 households auto enrolled for water bill reductions. Over 8,000 children now receive free school meals, and more than 5,700 households have been supported through the Haringey Support Fund and Provided council tax relief to 24,759 families. Over 1,200 residents have been helped into jobs through Haringey Works.



A comprehensive Digital Inclusion Strategy and roadmap have been developed, setting out a clear and practical approach to supporting residents who may struggle to access or use digital services.

Safer Haringey

On our feeling safe and being safe ambition, partnership working is yielding results with Safe Havens delivered with businesses and community groups and Police partnership has enabled hotspot operations. The crime rate has reduced to 24.7 per 1,000 and trust in police has increased to 74%. Violence Against Women and Girls is improving with 12 new Safe Havens and expanded training. The Safe Havens expansion network supports vulnerable residents and is closely linked to VAWG and neighbourhood policing. Hate crime is down to 0.6/1,000 and Anti-Social Behaviour operations have been strengthened through CLEAR–HOLD–BUILD initiative.

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POLITICAL STRUCTURE

As at 31st March 2026, 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 44
- Liberal Democrats 7
- Green Socialist Alliance 4
- Independent (non-aligned) 2

Following the local elections in May 2026, the political composition of the Council has changed, and details can be found here [Cabinet members | Haringey Council](#)

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. Details of current Cabinet Members can be found here [Cabinet members | Haringey Council](#)

Supporting the work of the elected members is the Council's Leadership Team (CLT). At 31 March 2026, CLT comprised of five Corporate Directors and led the Chief Executive:

- Corporate Director of Finance & Resources (S151 Officer)
- Corporate Director of Children's Services

- Corporate Director of Adult, Housing & Health
- Corporate Director of Environment & Resident Experience
- Corporate Director of Culture, Strategy & Communities

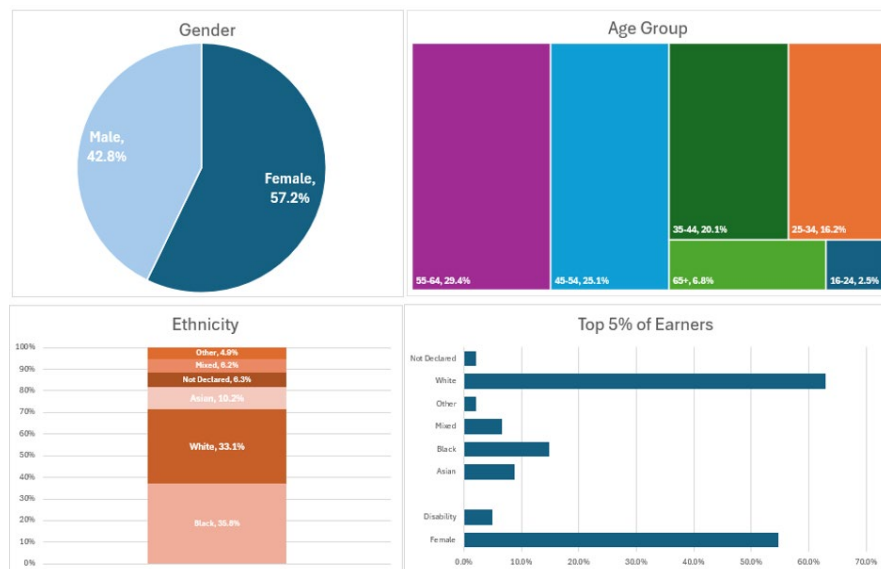
This new senior management structure was implemented from 1 April 2025 and the 2025/26 monitoring reports and Statement of Accounts reflects the new structure.

HARINGEY WORKFORCE

The Council now employs 3,699 people on full and part-time contracts, equating to a full-time equivalent of 3,446 as at 31 March 2026. This represents a 9% increase in the workforce compared with the workforce at the end of 2024/25 and is the subject of review in 2026/27 given the Council's financial position.

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.

NARRATIVE REPORT



THE COUNCIL'S STATEMENT OF ACCOUNTS

The Statement of Accounts for the London Borough of Haringey summarises the Council's financial transactions for 2025/26 and its position as at 31st March 2026. 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 2025/26 (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 2025/26 of £40.6m.

FINANCIAL PERFORMANCE

Overview

Haringey Council is responsible for managing cash flows and assets totalling over £6.1bn.

Key figures for 2025/26 include:

- Gross revenue expenditure (spending on day-to-day services) of around £1.3bn.
- Income from fees, charges and grants of £898m.
- Billing of around £272m in council tax and business rates.
- Maintenance of fixed assets with a value approximately £3.8bn, including capital investment of £345m including housing, schools, highways and regeneration projects.
- Management of the £2.1bn 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 2026 was £1.2bn. 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.

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General Fund Services - Revenue

The previous year of 2024/25 was a pivotal year for Haringey and the first year of reliance on Exceptional Financial Support (EFS) from Government of £10m to balance the budget at year end.

The financial position continued to worsen as demand and price pressures within social care and temporary accommodation continued to increase. For the Council to set a balanced budget in 2025/26, £37m of EFS was agreed in principle by the Government in February 2025 and in March 2025, the Council agreed its revenue budget for the year at £351.598m. This included £56.8m of additional budget services who were expected to have demographic and demand pressures and increased price for the cost-of-service delivery. In addition, £26.2m was added to non-service (corporate budgets) for pressures relating to price and pay inflation, London wide levies and a small increase in contingency to manage risks and uncertainty. Council tax was agreed to increase by 4.99% - 2.99% increase in the general element of Council Tax and 2% increase for the Adult Social Care Precept, which equates to £1,717.56 for the average Band D household.

Reliance on EFS is not sustainable. At the average cost in 2025/26 of £62,000 for every £1m borrowed by Government, this places additional long-term burdens on the residents of Haringey. As a result, throughout 2025/26, spending and financial controls were in place and have been tightened through the year as forecasts were showing reliance on EFS was forecast to exceed the £37m agreed in principle. In February 2026, based on the 2025/26 financial forecast as at Period 7, the Council had to request an increase in EFS to £54m for 2025/26 and this was subsequently approved in February 2026. A Financial Response and Recovery Plan was agreed in April 2025. Oversight and delivery have been through the Finance Recovery Board, chaired by the Chief Executive and progress reported quarterly to Cabinet and Scrutiny.

These measures include:

- Spend Control Panels for all non-essential expenditure over £1000;
- Recruitment Control Panel to provide check and challenge and approve or reject all permanent, temporary and agency recruitment;
- Improve purchasing compliance across the whole organisation within financial regulations, contract standing orders and purchasing compliance rules;
- Implementation of central gateway arrangements for capital projects, procurement and commissioning;

These are having an impact in reducing spending (estimated at £800,000 in year) but is also shifting the culture in the organisation to try to improve compliance with finance and contract regulations and that good financial management is the responsibility of all. The final update on this Finance and Recovery Plan will be published as part of the outturn report to Cabinet on 14 July [Agenda for Cabinet on Tuesday, 14th July, 2026, 6.30 pm | Haringey Council](#) and has been replaced with the Financial Resilience Plan.

Although the key driver of the need for the EFS has been the demand for statutory services where costs have exceeded the available funding, it must be recognised that the Council has struggled over recent years to deliver agreed savings. In 2025/26, £29.3m of savings across services and cross cutting initiatives were assumed to be delivered but only 62% were achieved, with many through other mitigations. This is a worsening position compared to previous years. This issue and the Council's overall financial sustainability has now been the subject of a Statutory Recommendation from KPMG, the council's appointed external auditor. The Council's full response will be presented to full Council on 20 July, and actions have already

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been taken by the corporate leadership team to set in motion enhanced governance to ensure that agreed savings both from prior years and new for 2026/27 are delivered as planned.

The final position for the year is that £40.6m of EFS is required to close and balance the accounts for 2025/26. Part of this reduction compared to Quarter 3 is attributed to the spending controls and improved financial management over the year but also is an indication that there must be further improvements in the Council's in year forecasting, particularly for demand led services.

There have been improvements in year for adult social care but the areas of overspend at year end were related to preventing homelessness (temporary accommodation), children's social care, shortfall on commercial property rental income, increased costs related to the commercial property portfolio and the correction of a number of accounting issues relating to bad debts provision and the incorrect capitalisation of costs. It should be noted however, that the spend on temporary accommodation has reduced in year from the range of initiatives that have been put in place that are now coming to fruition and at the end of December, use of hotels had been eliminated for families with children.

Management Area	Revised 2025/26 Budget	Final Outturn	Base Budget (over/ under- spend)	Non- Delivery of Savings	Revised Outturn to Budget Variance	Movement Between Q3 and Outturn
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	78,762	80,666	1,227	676	1,903	(1,034)
Director of Adult & Social Services	105,526	103,957	(2,115)	546	(1,569)	(6,448)
Housing Demand	30,956	37,998	7,041	-	7,041	(3,356)
Environment & Resident Experience	18,200	24,027	2,713	3,114	5,827	5,327
Environment & Resident Experience Housing Benefit	1,829	(1,517)	(3,345)	-	(3,345)	(1,882)
Culture, Strategy & Engagement	13,219	13,901	446	236	682	213
Finance and Resources	3,860	8,795	3,551	1,384	4,935	198
Directorate Service- Total	252,353	267,827	9,518	5,956	15,474	(6,981)
Capital Financing Charges	22,072	17,655	(4,417)	-	(4,417)	(2,383)
Contingency	6,049	-	(11,338)	5,289	(6,049)	(8,773)
Treasury Management Charges	17,571	14,615	(2,956)	-	(2,956)	2,401
Other Corporate Budgets (BAU)	36,905	35,024	(1,881)	-	(1,881)	(1,025)
Other Corporate Budgets (Reserve Release)	(1,425)	(1,644)	(220)	-	(220)	1,180
Parking Bad Debt Provision	-	11,133	11,133	-	11,133	1,233
Exceptional Finance Support	(37,020)	(40,587)	(3,567)	-	(3,567)	(3,567)
Corporate Budgets - Non Service Total	44,152	36,195	(13,246)	5,289	(7,957)	(10,934)
General Fund-Directorate Service & Non-Service	296,505	304,022	(3,728)	11,245	7,517	(17,915)
External Finance	(296,504)	(304,022)	(7,517)	-	(7,517)	(1,114)
General Revenue Total	-	-	(11,245)	11,245	-	(19,029)
DSG	-	3,232	3,232	-	3,232	14
HRA	-	4,296	4,296	-	4,296	6,087
Haringey Total	-	7,528	(3,717)	11,245	7,528	(12,928)

The outturn is reconciled to the figures shown in the Comprehensive income and expenditure statement in note xx for the expenditure and funding analysis.

General Fund Services - Capital

The final outturn position on the General Fund Capital Programme is £123.1m (62%) spend against a revised budget of £198.7m, an underspend of £75.6m. This spend has been across Council services, including, our schools, roads, footways and highways, the environment and active travel initiatives, regeneration and placemaking schemes and the Council's operational estate. The largest underspends were seen in Finance and Resources (£20.0m) and Culture, Strategy and Communities (£21.7m) and were predominantly due to internally and externally driven delays across

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schemes.

A full review of the capital programme will take place in July 2026 to look at opportunities to reduce spend given the current high interest rates and the high level of debt compared to statistical neighbours. In 2025/26, 76% of spend was funded through borrowing. Some slippages in capital expenditure must be expected as these are generally complex, multifaceted projects and are programmed to run across multiple years. However, as most of the capital expenditure is funded from borrowing which costs must be budgeted for, there are cost implications for high levels of slippage on general fund revenue budgets. The review must also improve on the profile of spend on any remaining scheme to minimise underspends in future years and more accurate budgeting.

Directorate	Full Council Approved 2025/26 Budget (£'000)	2024/25 Capital Slippage (£'000)	2025/26 Budget Adjustment/Virement (£'000)	2025/26 Qtr. 4 Revised Budget (£'000)	2025/26 Final Outturn (£'000)	Final Outturn vs Revised budget Variance (£'000)
Children's Services	28,276	1,881	(15,093)	15,064	11,114	(3,950)
Adults, Housing & Health	12,715	579	(3,397)	9,897	4,123	(5,773)
Environment & Resident Experience	21,238	5,125	85	26,448	16,649	(9,799)
Culture, Strategy & Communities	55,022	7,525	(3,029)	59,518	37,825	(21,693)
Finance & Resources	25,745	5,780	(2,643)	28,882	8,879	(20,003)
Corporate Items	5,000	6,272	(23,357)	4,915	3,965	(950)
Exceptional Financial Support (EFS)	37,000	0	17,000	54,000	40,587	(13,413)
	184,996	27,162	(30,434)	198,724	123,142	(75,581)
Housing Revenue Account (HRA)	333,767	7,886	0	341,653	221,409	(120,244)
TOTAL CAPITAL OUTTURN	518,763	35,048	(30,434)	540,377	344,551	(195,825)

Housing Revenue Account

The Council owns approximately 16,447 homes. Rental income together with other sources of funding such as grant income and charges for services and facilities, is held in a ring-fenced account referred to as the Housing Revenue Account (or HRA). The HRA is used to maintain and manage existing dwellings as well as to create new social housing.

The final HRA revenue outturn was an overspend of £4.3m which necessitated an unplanned draw down from the HRA reserve to cover this overspend which takes the reserve to £15.9m, below the £20m 2024/25 balance.

The single largest contributor to the worsened position is under recovery of planned income due to higher than planned levels of void properties. The late receipt of agreed grants required un-budgeted borrowing at a cost of £1.2m, and the annual revaluation of council dwellings necessitated accounting for additional depreciation costs of £2.3m.

The HRA capital programme outturn was £221.4m (65%) against a revised budget of £341.6m an underspend of £120.2m and the capital spend has been largely focussed on the major works programme, housing delivery programme and acquisitions but these schemes have also been those that showed the highest level of underspend demonstrating an improvement in the profiling of spend across years is needed for future years.

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Haringey Council Balance Sheet Position for Single Entity 31 March 2026

The Council's net assets on the balance sheet increased by **£41m** in 2025/26, the high-level movements being:

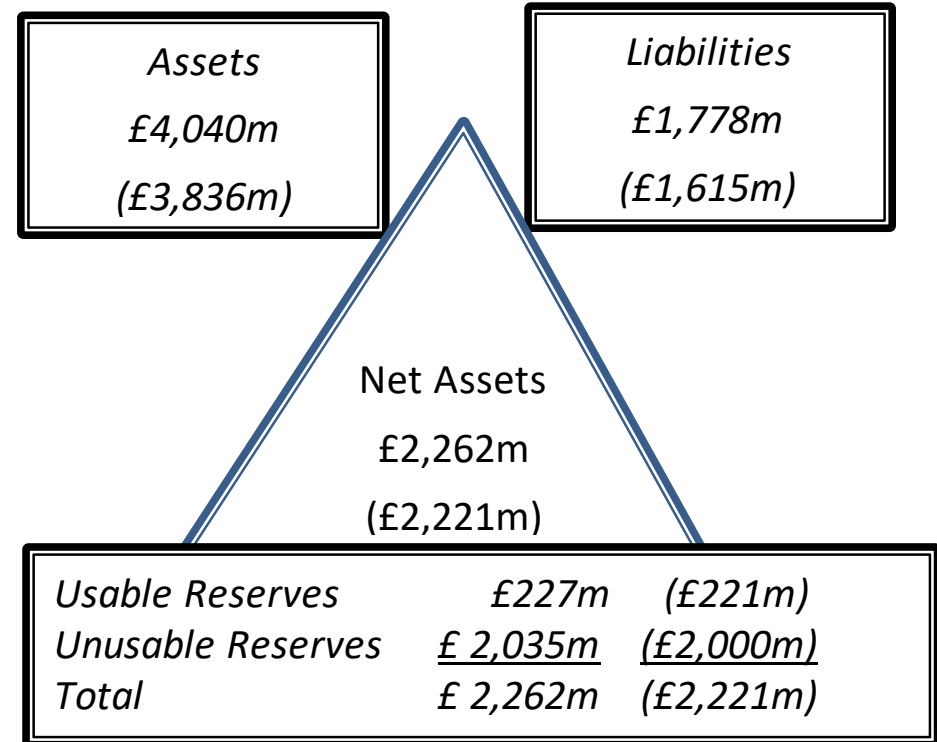
Favourable

- A net increase of **£136m** in long-term assets mainly from capital expenditure investments property, plant, and equipment & investment property valuations.
- A net increase of **£68m** in current assets mainly due to higher cash and cash equivalent.

Adverse

- A net increase in current liabilities by £12m due to higher short-term provisions and revenue grants received in advance.
- A net increase of **£151m** in long term liabilities mainly due to huge increase in long-term borrowing.

The following summarises the Council's single entity balance sheet as at 31 March 2026



(Figures in brackets relate to position at 31 March 2025)

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Pension Liabilities

- The net pension liability of £149m in these accounts represents the difference between the estimated cost of pensions payable in the future (£2,180m), and the value of assets in the pension fund (£2,031m). 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 revenue cost of pensions was £50.96m for the year (£46.04m in 24/25)
- The Pension Fund is revalued every three years to set future contribution rates. A recent valuation was carried out as at 31st March 2025. The results of this valuation have been reflected in the 2025/26 accounts.

Medium Term Outlook

Across the next five years, the financial position is even more challenging. In 2026/27, a balanced budget was only possible with the use of £84m of EFS. As highlighted, this is not sustainable and reliance on EFS continues to show an upward trajectory. The last update on the five-year position was presented to Council in March 2026 and showed a cumulative deficit of £239m by 2031 if nothing changes.

The 2025 Fair Funding Review and three-year local government financial situation provided welcome additional grant funding from government, allowing the Council to increase its core spending power. However, this equates to only £25.3m over the next three years in Government grant with the rest assumed by Council Tax increases of 4.99% which had already been factored into our financial

planning. With growing demand and price pressures, the additional resources have made only a small dent into the scale of the challenges. The Council will continue to lobby and work with Government to consider the role of Local Government and the statutory services it provides but also less punitive EFS measures to support Haringey in reaching a more sustainable future.

The Council must take all the necessary action to reduce spending or increase income it remains in control of. Historically the Council has undertaken an annual budget setting cycle but with a three-year Government finance settlement now in place, a medium-term approach must be considered, and the Council has developed its three-year Financial Resilience Plan which recognises that the problem is intractable in a single year. The Financial Resilience Plan will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbours and proposals for cost avoidance to limit the year-on-year increase in cash limits.

Spending controls already in place will continue and a clear Section 151 Officer approval process will be introduced for any department to spend beyond its cash limits, to ensure that there is a clear and agreed funding strategy before expenditure is committed. A full update on the Financial Sustainability and associated delivery plans will be published as part of the Medium-Term Financial Strategy to Cabinet in November 2026.

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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 2026 and can be found here [Agenda for Audit Committee on Thursday, 23rd July, 2026, 7.00 pm | Haringey Council](#)

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

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 2026. 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 2025/26, 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, which are treated as subsidiaries of the Council. A new subsidiary was

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registered in September 2025, Haringey Culture Collective – A Charitable Company Limited by Guarantee to deliver the London Borough of Culture in 2027. The only financial activity in the year is an immaterial sum paid to it by 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.

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

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 2026 and its income and expenditure for the year then ended.



Taryn Eves

Corporate Director of Finance & Resources (S151 Officer)

30 June 2026

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Single Entity	2025/26			2024/25		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	150,811	(80,018)	70,792	164,755	(73,349)	91,407
Adults, Health & Communities	310,900	(166,809)	144,092	277,066	(150,135)	126,932
Environment & Resident Experience*	268,430	(224,040)	44,390	266,263	(227,692)	38,571
Placemaking & Housing			0	19,259	(8,951)	10,308
Culture, Strategy & Engagement	26,398	(10,926)	15,472	29,380	(7,690)	21,690
Corporate Budgets - Service	29,775	(9,369)	20,406	4,139	(6,260)	(2,120)
Corporate Budgets - Non Service	35,869	(15,464)	20,405	38,795	(16,578)	22,217
Dedicated Schools Grant	255,810	(255,546)	265	232,966	(233,011)	(45)
Housing - HRA	242,662	(135,915)	106,747	284,373	(131,904)	152,469
Cost of Services	1,320,655	(898,088)	422,569	1,316,996	(855,569)	461,428
Other operating expenditure	14,139	0	14,139	12,011	(3,221)	8,790
Financing and investment income and expenditure	63,157	(28,014)	35,143	57,067	(14,091)	42,975
Taxation and Non-Specific Grant Income	0	(388,228)	(388,228)	0	(353,395)	(353,395)
(Surplus) or Deficit on Provision of Services	1,397,952	(1,314,330)	83,622	1,386,073	(1,226,275)	159,798
(Surplus) or deficit on revaluation of property, plant and equipment			(68,781)			(129,033)
Remeasurement of net defined benefit liability (Note 36)			(55,632)			312,417
Other Comprehensive Income and Expenditure			(124,413)			183,384
Total Comprehensive Income and Expenditure			(40,791)			343,182

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Group Accounts	2025/26			2024/25		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	150,811	(80,018)	70,792	164,755	(73,349)	91,406
Adults, Health & Communities	310,900	(166,809)	144,092	277,066	(150,135)	126,932
Environment & Resident Experience	268,430	(224,040)	44,390	266,263	(227,692)	38,571
Placemaking & Housing	0	0	0	19,259	(8,951)	10,308
Culture, Strategy & Engagement	26,398	(10,926)	15,472	29,380	(7,690)	21,690
Corporate Budgets - Service	54,075	(42,412)	11,663	25,352	(40,456)	(15,104)
Corporate Budgets - Non Service	35,869	(9,369)	26,499	38,795	(6,260)	32,535
Dedicated Schools Grant	255,810	(255,546)	265	232,966	(233,011)	(45)
Housing - HRA	246,057	(139,310)	106,747	284,441	(131,905)	152,536
Cost of Services	1,348,350	(928,431)	419,920	1,338,276	(879,448)	458,829
Other operating expenditure	14,139	0	14,139	12,011	(3,221)	8,790
Financing and investment income and expenditure	63,157	(28,087)	35,070	57,067	(14,136)	42,931
Taxation and Non-Specific Grant Income	0	(388,228)	(388,228)		(353,395)	(353,395)
(Surplus) or Deficit on Provision of Services	1,425,647	(1,344,746)	80,901	1,407,354	(1,250,200)	157,154
(Surplus) or deficit on revaluation of property, plant and equipment			(43,305)			(103,407)
Remeasurement of net defined benefit liability (Note 36)			(55,896)			312,019
Other Comprehensive Income and Expenditure			(99,201)			208,612
Total Comprehensive Income and Expenditure			(18,300)			365,766

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
2025/26										
Balance as at 31/03/2025	(52,244)	(25,345)	(86,898)	(56,821)	0	(221,307)	(1,999,897)	(2,221,204)	(108,329)	(2,329,533)
<u>Movement in reserves during 2025/26</u>										
Total Comprehensive Income and Expenditure	38,551	45,071	0	0	0	83,622	(124,413)	(40,791)	22,491	(18,300)
Adjustments between accounting basis & funding basis under regulations (note 10)	(38,616)	(42,447)	(9,265)	1,214	0	(89,114)	89,114	0	0	0
(Increase) / Decrease in 2025/26	(65)	2,624	(9,265)	1,214	0	(5,492)	(35,299)	(40,791)	22,491	(18,300)
Balance as at 31/03/2026 carried forward	(52,309)	(22,719)	(96,163)	(55,607)	0	(226,796)	(2,035,194)	(2,261,992)	(85,838)	(2,347,830)
2024/25										
Balance as at 31/03/2024	(67,449)	(22,398) 0	(74,464) 0	(62,175) 0	0	(226,485)	(2,337,900)	(2,564,385)	(130,913)	(2,695,298) 0
<u>Movement in reserves during 2024/25</u>										
Total Comprehensive Income and Expenditure	43,717	116,081	0	0	0	159,798	183,384	343,182	22,584	365,766
Adjustments between accounting basis & funding basis under regulations (note 10)	(28,513)	(119,027)	(12,434)	5,354	0	(154,619)	154,619	0	0	0
(Increase) / Decrease in 2024/25	15,204	(2,946)	(12,434)	5,354	15	5,179	338,003	343,182	22,584	365,766
Balance as at 31/03/2025 carried forward	(52,244)	(25,345)	(86,898)	(56,821)	0	(221,307)	(1,999,897)	(2,221,204)	(108,329)	(2,329,533)

BALANCE SHEET

	Notes	Single Entity		Group Accounts	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025
		£'000	£'000	£'000	£'000
Property, Plant and Equipment	12	3,637,304	3,511,306	3,721,441	3,619,947
Heritage Assets		6,254	6,227	6,254	6,227
Investment Property	13	120,747	108,170	120,747	108,170
Intangible Assets		10,463	12,862	10,463	12,862
Long-term Debtors	14,16	8,461	9,198	3,610	4,156
Pension Assets	36		0	3,055	2,625
Long Term Assets		3,783,230	3,647,763	3,865,571	3,753,987
Short-term Investments	14	163	39	163	39
Inventories		687	675	925	876
Short-term Debtors	16	139,358	164,116	140,793	164,031
Cash and Cash Equivalents	17	116,123	23,214	127,469	30,125
Current Assets		256,331	188,044	269,350	195,071
Short-term borrowing	14	(105,459)	(120,180)	(104,563)	(120,180)
Short-term Creditors	18	(201,349)	(213,784)	(211,768)	(218,706)
Grants Receipts in Advance	30	(116,537)	(80,628)	(116,537)	(80,628)
Provisions	19	(27,451)	(10,031)	(27,451)	(10,031)
Current Liabilities		(450,795)	(424,622)	(460,318)	(429,544)
Long-term Creditors	18	(16,159)	(16,724)	(16,159)	(16,724)
Provisions	19	(1,003)	(16,791)	(1,003)	(16,791)
Long-term Borrowing	14	(1,121,222)	(873,113)	(1,121,222)	(873,113)
Pension Liabilities	36	(148,730)	(213,026)	(148,730)	(213,026)
Other Long Term Liabilities - PFI and Finance Leases	14	(23,252)	(52,874)	(23,252)	(52,874)
Grants Receipts in Advance - Capital	30	(16,405)	(17,452)	(16,405)	(17,452)
Long-term Liabilities		(1,326,771)	(1,189,980)	(1,326,771)	(1,189,980)
Net Assets		2,261,995	2,221,204	2,347,833	2,329,533
Usable Reserves		(226,799)	(221,307)	(258,519)	(251,617)
Unusable Reserves	20	(2,035,196)	(1,999,897)	(2,089,314)	(2,077,916)
Total Reserves		(2,261,995)	(2,221,204)	(2,347,833)	(2,329,533)

CASH FLOW STATEMENT

		Single Entity		Group Accounts	
		2025/26	2024/25	2025/26	2024/25
	e	£'000	£'000	£'000	£'000
Net surplus or (deficit) on the provision of services		(83,622)	(159,798)	(80,901)	(157,154)
Adjustments to net surplus or (deficit) on the provision of services for non-cash movements	21	238,709	252,172	241,933	253,635
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	21	(120,927)	(87,707)	(120,927)	(87,707)
Net cash flows from Operating Activities		34,160	4,667	40,105	8,774
Investing Activities	22	(134,446)	(149,606)	(136,172)	(152,982)
Financing Activities	23	193,196	131,608	193,196	131,608
Net increase or (decrease) in cash and cash equivalents		92,910	(13,331)	97,129	(12,600)
Cash and cash equivalents at the beginning of the reporting period		23,215	36,545	30,125	42,725
Cash and cash equivalents at the end of the reporting period		116,124	23,214	127,253	30,125

NOTES TO THE STATEMENTS

1. Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. 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 2025/26, supported by UK adopted 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

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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 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 (i.e. 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.

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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 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

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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
- unitised securities - current bid price
- 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.

In accordance with IFRIC 14.20(b), the surplus available to the entity in respect of its participation in the funded Local Government Pension Scheme (LGPS) is constrained by the estimated future service cost

NOTES TO THE STATEMENTS

in each period, less the minimum funding contributions required for future service in those periods. Additionally, a minimum funding liability is recognised in respect of any positive secondary contributions. It is therefore clear that no surplus is recognised from a reduction in contributions. Instead, where secondary contributions are positive, an additional liability arises, resulting in a net liability position for the entity's funded LGPS participation.

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.

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.

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:

- 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
- 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.

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.

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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 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.

1.2 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:

- In the principal market for the asset or liability, or
- 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.

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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

1.3 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:

- 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.

1.4 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.

1.5 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.

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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.

1.6 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 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 current value existing use model.

In these financial Statements, Right-of Use assets are held using PWLB rates corresponding to the term of their respective liabilities.

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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
- 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

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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)

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 (e.g. 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.

1.7 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.

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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 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.

From 1 April 2025, following the new Code requirements in respect of revaluations of property, plant and equipment, where the Council does not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, the Council will revalue its assets every five years with annual indexation applied to assets during the four intervening years. Where the Council cannot obtain indices without undue cost or effort it will revalue those assets using a quinquennial revaluation with a desktop

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revaluation in year three.

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 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.

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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.

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.

NOTES TO THE STATEMENTS

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.

1.8 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

NOTES TO THE STATEMENTS

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.

1.9 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.

1.10 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.

NOTES TO THE STATEMENTS

1.11 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.

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

1.13 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.

1.14 Rounding

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

NOTES TO THE STATEMENTS

2. Accounting Standards Issued but not yet adopted

The accounting standards issued and not yet adopted are not expected to cause a material impact.

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 liability, 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 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 2026. 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 2026 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.

NOTES TO THE STATEMENTS

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 £3.2 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 £129m.

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 £183m.

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 2025/26, the Council's actuaries advised that the net pensions position reduced from a net defined benefit liability of £213m to £149m as a result of estimates being revised and the updating of assumptions. Please refer to note 36 for details.

NOTES TO THE STATEMENTS

Impairment allowance for doubtful debt

As at 31 March 2026, the Council had an outstanding balance of short-term debtors totalling £320m. Against this debtors' balance, there is an impairment allowance of £181m, £29m on account of expected credit loss for non-statutory debt and £152m for incurred credit loss on statutory debt. 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. Some of other key assumptions that have been considered in the impairment allowance calculations for Expected credit loss (ECL) applied to Sundry Debtors is based on historical observed loss adjusted by a forward-looking estimate including probability of a worsening economic environment in future years. The ECL for Housing Rents is also based on the provision matrix approach applied to Sundry Debtors.

The incurred loss model is calculated based on historical collection rates for aged debtors. 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.

5. Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2026. 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.

	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	70,063	730	70,792	81,271	10,135	91,406	
Adults, Health & Communities	146,151	(2,059)	144,092	113,453	13,479	126,932	
Environment & Resident Experience	32,376	12,013	44,390	21,564	17,008	38,571	
Placemaking & Housing	0	0	0	9,360	948	10,308	
Culture, Strategy & Engagement	12,462	3,011	15,472	3,873	17,817	21,690	
Corporate Budgets - Service	25,358	(4,952)	20,406	1,469	(3,589)	(2,120)	
Corporate Budgets - Non Service	(23,150)	43,555	20,405	7,416	14,801	22,217	
Dedicated Schools Grant	(0)	265	265	0	(45)	(45)	
Housing - HRA	(13,827)	120,575	106,747	(16,654)	169,123	152,469	
Net Cost of Services	249,431	173,136	422,568	221,751	239,677	461,428	
Other income and expenditure	(246,874)	(92,072)	(338,946)	(209,493)	(92,137)	(301,630)	
(Surplus) or Deficit on Provision of Services	2,557	81,064	83,622	12,258	147,540	159,798	
Opening General Fund and HRA Balances	(77,591)			(89,848)			
Less deficit/(surplus) on General Fund and HRA balance in year	2,557			12,258			
Closing General Fund and HRA balances	<u>(75,033)</u>			<u>(77,591)</u>			

NOTES TO THE STATEMENTS

6a) Adjustments between Funding and Accounting Basis

	2025/26				2024/25			
	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	9,803	(7,006)	(2,067)	730	11,212	(2,549)	1,472	10,135
Adults, Health & Communities	246	(2,309)	3	(2,059)	13,753	(325)	51	13,479
Environment & Resident Experience	14,563	(2,555)	5	12,013	17,286	(395)	116	17,008
Placemaking & Housing	0	0	0	0	1,131	(179)	(4)	948
Culture, Strategy & Engagement	4,457	(1,450)	3	3,011	18,010	(296)	103	17,817
Corporate Budgets - Non Service	0	(4,954)	3	(4,952)	0	(3,639)	50	(3,589)
Corporate Budgets - Service	45,824	0	(2,269)	43,555	14,801	0	0	14,801
Dedicated Schools Grant	0	0	265	265	0	0	(45)	(45)
Housing - HRA	122,708	(2,137)	4	120,575	169,475	(357)	5	169,123
Net Cost of Services	197,601	(20,411)	(4,053)	173,136	245,668	(7,740)	1,749	239,677
Other income and expenditure	(108,048)	11,747	4,229	(92,072)	(86,615)	(4,370)	(1,152)	(92,137)
Difference between General Fund surplus or deficit and the CIES surplus or deficit on the provision of services	89,553	(8,664)	176	81,064	159,053	(12,110)	597	147,540

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, the adjustment reverses the IAS19 pension costs/credits recorded in the surplus or deficit on the provision of services and replaces them with employers' contributions to the pension fund, which is the amount properly chargeable to the General fund.

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 ANALYSIED BY NATURE

Note 1. Income by Nature

Income Category	2025/26 £000	2024/25 £000
Fees, charges & other service income	(318,677)	(288,935)
Grants & Contributions	(715,128)	(685,759)
Income from Council Tax & NNDR	(231,783)	(225,945)
Interest and investment income	(13,900)	(22,415)
Gain on disposal of assets	0	(3,221)
Gain in Fair Value of Investment Properties	(10,682)	0
Other Investment Income	(3,191)	0
Pension Cost	(20,968)	0
	(1,314,329)	(1,226,275)

Note 2. Expenditure by Nature

Expenditure Category	2025/26 £000	2024/25 £000
Depreciation, amortisation, impairment	187,064	247,211
Employee Benefits expenses	450,403	431,344
Other Service Expenses	700,487	637,363
Levies	13,271	12,011
Interest payable & similar charges	42,394	35,292
ECL Impairment Allowances	3,462	3,408
Loss in Fair Value of Investment Properties	869	19,444
	1,397,950	1,386,073
Deficit on Provision of Service	83,622	159,798

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

	2025/26			2024/25		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Levies - North London Waste Authority (NLWA)	11,274	0	11,274	10,098	0	10,098
Levies - Others	1,997	0	1,997	1,913	0	1,913
Losses / (gains) on disposal of non-current assets	868	0	868	0	(3,221)	(3,221)
	14,139	0	14,139	12,011	(3,221)	8,790

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).

	2025/26			2024/25		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Interest payable and similar charges	42,395	0	42,395	35,292	0	35,292
Net interest on the net defined benefit liability	11,747	0	11,747	(4,370)	0	(4,370)
Expected Credit Loss-Impairment Allowances	3,463	0	3,463	3,408	0	3,408
Net Income & Expenditure and changes in the fair values of investment properties	3,828	(24,823)	(20,995)	20,779	(11,141)	9,638
Interest Income	0	(3,191)	(3,191)	0	(2,599)	(2,599)
Other investment income and expenditure	1,724	0	1,724	1,958	(351)	1,607
	63,157	(28,014)	35,143	57,067	(14,091)	42,975

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:

	2025/26	2024/25
	£'000	£'000
Council tax income	(143,366)	(136,878)
Non domestic rates	(88,417)	(89,068)
Non-ringfenced government grants:		
Revenue Support Grant	(27,858)	(27,333)
Section 31 BR relief	(24,655)	(25,892)
Services Grant	0	(572)
Employer NIC Grant	(2,539)	0
Recovery Grant	(5,358)	0
Other revenue grants/ contributions	(766)	(3,815)
Capital grants and contributions	(95,269)	(69,837)
	(388,228)	(353,905)

The non-domestic rates income under the Government's business rates retention arrangement consists of £22.146m (£22.350 million in 2024/25) collected locally and the amount re-distributed from a national pool including 'top-up' is £66.271 million (£66.718 million in 2024/25).

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 2025/26	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)	8,101	563	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	41	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	(4,270)	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	2,053	(4)	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	(265)	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(64,991)	(89,235)	0	(2,830)	0
Total Adjustments to Revenue Resources	(59,330)	(88,675)	0	(2,830)	0
Adjustments between Revenue and Capital Resources					
- Transfer of non-current asset sale proceeds from revenue to the CRR	700	21,432	(22,132)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	(13)	(268)	281	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	25,065	0	0	(25,065)
- Statutory provision for the repayment of debt (transfer from the CAA)	17,586	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	173	0	0	0	0
Total Adjustments between Revenue and Capital Resources	18,446	46,229	(21,851)	0	(25,065)
Adjustments to Capital Resources					
- Use of the CRR to finance capital expenditure	0	0	13,064	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	25,065
- Application of capital grants to finance capital expenditure	0	0	0	4,043	0
- Cash payments in relation to deferred capital receipts	0	0	0	0	0
- Cash payments in relation to capital loan repayment	0	0	(478)	0	0
Total Adjustments between Revenue and Capital Resources	0	0	12,586	4,043	25,065
Other movements in Reserves-	2,269				0
Total Adjustments	(38,616)	(42,447)	(9,265)	1,214	0

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
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	1,315	0			0
- Council Tax and NDR (transfers to or from the Collection Fund)	(164)	0			0
- Holiday pay (transferred to the Accumulated Absence Reserve)	(1,789)	(5)			0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	45	0			0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(75,307)	(153,796)		(73,043)	0
Total Adjustments to Revenue Resources	(64,741)	(152,849)	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
- 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	(51)	51	(491)	0	0
Total Adjustments	(28,513)	(119,026)	(12,434)	5,354	0

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 2025/26.

	Note	Balance at 31/03/24	Transfer In 2024/25	Transfer Out 2024/25	Balance at 31/03/25	Transfer In 2025/26	Transfer Out 2025/26	Balance at 31/03/26
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve	i	(15,170)	0	0	(15,170)	0	0	(15,170)
General Fund earmarked reserves:								
Schools reserve	ii	(2,401)	(11,425)	12,481	(1,345)	(20,525)	18,870	(2,999)
Transformation reserve	iii	(5,037)	0	5,037	0	(4,242)	0	(4,242)
Services reserve	iv	(11,696)	(1,721)	4,061	(9,356)	(1,965)	1,935	(9,386)
PFI lifecycle reserve	v	(5,533)	(1,332)	2,906	(3,959)	0	3,959	0
Debt repayment reserve	vi	(1,073)	0	0	(1,073)	0	1,073	0
Public Health Reserve		0			0	(1,232)	0	(1,232)
Insurance reserve	vii	(7,233)	0	1,724	(5,509)	(299)	0	(5,808)
Unspent grants reserve	viii	(12,707)	(2,002)	4,316	(10,393)	(4,736)	6,032	(9,098)
Labour market growth resilience reserve	ix	(273)	0	87	(186)	0	0	(186)
Strategic Budget Planning Reserve	x	(5,096)	(7,062)	8,135	(4,024)	(1,072)	2,140	(2,955)
Resilience reserve	xi	0	0	0	0	0	0	0
Collection Fund Smoothing reserve	xii	(1,231)	0	0	(1,231)	0	0	(1,231)
GF earmarked reserves:		(52,280)	(23,542)	38,746	(37,076)	(34,072)	34,010	(37,138)
Total General Fund Usable Reserves		(67,450)	(23,492)	38,695	(52,244)	(34,072)	34,010	(52,308)
Housing Revenue Account		(21,136)	(6,360)	7,431	(20,065)	(268)	4,564	(15,906)
Housing Revenue Account earmarked Reserves:								
Property Acquisition Reserve		(1,212)	(4,068)	0	(5,279)	(1,672)	0	(6,814)
Homes for Haringey		(50)	0	51	0	0	0	0
HRA earmarked reserves		(1,262)	(4,068)	50	(5,279)	(1,672)	0	(6,814)
Total HRA Usable Reserves		(22,398)	(10,428)	7,481	(25,344)	(1,940)	4,564	(22,721)

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 2025/26 with an effective date of 31 March 2026.

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 England and Wales] 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-26	31-Mar-25
	£'000	£'000
Infrastructure Assets	216,350	212,932
Right of Use Assets	13,766	39,687
Other PPE assets	3,407,190	3,258,688
	3,637,306	3,511,307
	£'000	£'000
Net Book Value at 1st April	39,687	56,818
Digital Contracts	(21,258)	0
Additions	261	0
Disposals	(2,138)	0
Depreciation	(2,786)	(17,131)
	13,766	39,687

Movements in Infrastructure Assets

	2025/26	2024/25
	£'000	£'000
Net book value (modified historical cost) at 1 April	212,932	205,930
Additions	16,058	18,697
Depreciation	(12,640)	(12,051)
Other movements in cost	0	356
Net Book Value at 31st March	216,350	212,932

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 included in Property, Plant and Equipment	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2025	1,732,320	1,247,633	37,455	30,774	251,113	13,945	3,313,240	15,273
Additions	74,438	69,604	1,268	2,642	123,925	437	272,313	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	40,844	28,724	0	0	0	(1,639)	67,929	418
Revaluation increases / (decreases) recognised in SDPOS	(126,308)	(43,295)	0	0	0	(436)	(170,040)	(380)
Derecognition - disposals	(16,594)	(3,765)	0	0	(1,570)	(963)	(22,891)	0
Reclassifications and transfers	0	0	0	0	0	0	0	0
Other movements in cost or valuation	130,719	(8,355)	0	(509)	(126,514)	4,503	(157)	0
At 31 March 2026	1,835,419	1,290,546	38,723	32,907	246,953	15,846	3,460,394	15,312
Accumulated Depreciation and Impairment at 1 April 2025	(7,935)	(7,251)	(29,289)	(1,906)	(8,080)	(91)	(54,552)	(370)
Depreciation charge	(22,701)	(14,107)	(2,538)	0	0	0	(39,347)	(380)
Accumulated Depreciation written out	22,540	13,796	0	0	0	0	36,336	380
Accumulated written out to GCA	0	4,921	0	0	0	0	4,921	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	0	0	0	0	0	0	0	0
Derecognition - disposals	(21)	72	0	7	41	(98)	0	0
Other movements in depreciation & impairment	(735)	0	0	0	0	0	(735)	370
At 31 March 2026	(8,852)	(2,569)	(31,827)	(1,899)	(8,039)	(189)	(53,377)	0
Net Book Value at 31 March 2026	1,826,567	1,287,977	6,895	31,008	238,914	15,658	3,407,017	15,312

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £84.1m as of 31 March 2026 (£108.6m as at 31 March 2025). 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 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	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	33,570	59,302	0	156	0	(3,043)	89,985	0
Revaluation increases / (decreases) recognised in SDPOS	(116,659)	(47,816)	0	16	0	(209)	(164,668)	0
Derecognition - disposals	(4,505)	(2,284)	0	0	0	(4,680)	(11,469)	0
Reclassifications and transfers	0	(67)	0	0	(5,264)	0	(5,331)	0
Other movements in cost or valuation	173,742	(9,170)	150	(81)	(167,371)	840	(1,890)	0
At 31 March 2025	1,732,320	1,247,633	37,455	30,774	251,113	13,945	3,313,240	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	21,433	17,536	0	0	0	0	38,969	0
Impairment (losses)/reversals recognised in the Revaluation Reserve	0	79	0	0	0	0	79	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	(8,601)	(167)	0	0	0	0	(8,768)	0
Derecognition - disposals	34	497	0	0	0	0	531	0
Reclassifications and transfers	0	0	0	0	0	0	0	0
Other movements in depreciation & impairment	(79)	79	0	0	6	0	6	0
At 31 March 2025	(7,935)	(7,251)	(29,289)	(1,906)	(8,080)	(91)	(54,552)	(370)
Net Book Value at 31 March 2025	1,724,385	1,240,382	8,166	28,868	243,033	13,854	3,258,688	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 2025 (£131.7m as at 31 March 2024). Further details are in Note 38.

NOTES TO THE STATEMENTS

Capital Commitments

At 31 March 2026, the Council has entered into several contracts for the construction or enhancement of Property, Plant and Equipment in 2025/26 and future years, budgeted to cost £170.5million (£183.7 million as at 31 March 2025). The major commitments at 31 March 2025 were:

- Major Works - £40.1 million
- New build homes & development of Residential Accommodation - £102.8 million
- Civic Centre Development Project - £27.6 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	40,788	52,234	6,895	30,835	230,221	0	360,974	216,350
Valued at fair value as at:								
31-Mar-26	1,785,940	1,210,286	0	0	0	3,973	3,000,200	0
31-Mar-25	0	25,467	0	173	3,116	11,684	40,439	0
31-Mar-24	-	0	0	0	5,577	0	5,577	0
31-Mar-23	0	0	0	0	0	0	-	0
31-Mar-22	0	-	0	0	0	0	-	0
Total Cost or Valuation	1,826,728	1,287,987	6,895	31,008	238,914	15,657	3,407,190	216,350

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.

	31/03/26	31/03/25
	£'000	£'000
Office units	4,824	4,661
Commercial units	87,825	75,318
Land	24,182	22,599
Other investment property	3,917	5,592
Total	120,748	108,170

There were no transfers between any of the three levels during 2025/26 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.

	2025/26	2024/25
	£'000	£'000
Rental income from investment property	(13,928)	(11,141)
Direct operating expenses arising from investment properties	3,828	1,335
Net gain	(10,100)	(9,806)

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.

	2025/26	2024/25
	£'000	£'000
Balance at start of the year	108,171	114,981
Subsequent Expenditure	1,738	75
Derecognitions	(446)	0
Net gain / (losses) from FV adjustments	11,128	(12,217)
Transfers to/from PPE	157	5,331
Balance at the end of the year	120,748	108,170

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	
	31/03/26	31/03/25	31/03/26	31/03/25
Financial liabilities				
Loans at amortised cost:	£'000	£'000	£'000	£'000
Principal Sum borrowed	(1,119,403)	(871,253)	(94,000)	(110,000)
Accrued interest	0	0	(11,459)	(10,180)
EIR adjustments				
Total Borrowing*	(1,121,222)	(873,113)	(105,459)	(120,180)
Liabilities at amortised cost:				
Finance leases	(20,093)	(52,874)	0	0
PFI liabilities	0	0	0	0
Total other Long-term Liabilities*	(20,093)	(52,874)		
Liabilities at amortised cost:				
Trade Payables	(16,159)	(16,724)	(118,968)	(90,621)
PFI liabilities	0	0	0	(2008)
Finance leases	0	0	(24,870)	(20,406)
Included in Creditors**	(16,159)	(16,724)	(143,838)	(113,035)
Total Financial Liabilities	(1,157,474)	(942,711)	(249,297)	(233,215)

*The total short-term borrowing includes £11.5m (31 March 2025 £10.2m) representing accrued interest on long-term borrowing.

**The short-term creditors lines on the Balance Sheet includes £57.5m (31 March 2025 £100.7m) that do not meet the definition of a financial liability as they relate to non-exchange transactions or receipts in advance.

NOTES TO THE STATEMENTS

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 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	
	31/03/26	31/03/25	31/03/26	31/03/25
Financial Assets				
At amortised cost:	£'000	£'000	£'000	£'000
Principal	0	0	163	69
Total Investments*	0	0	163	69
At amortised cost:				
Principal			116,123	23,214
Total Cash and Cash Equivalent*	0	0	116,223	23,214
At amortised cost:				
Trade Receivables	68	68	104,970	115,841
Loans made for service	8,393	9,130	0	0
Included in Debtors**	8,461	9,198	104,970	115,841
Total Financial Assets	8,461	9,198	221,256	139,094

*The total cash and Cash equivalent include the Money Market Fund of £81.2m

**The short-term debtors' lines on the Balance Sheet include £34.3m (31 March 2025 £48.3m) 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	2025/26	2024/25
	£'000	£'000	£'000	£'000
Interest expense	42,395	0	42,395	35,292
Impairment losses	0	3,463	3,463	3,408
Interest payable and similar charges	42,395	3,463	45,858	38,700
Interest income	0	(3,191)	(3,191)	(2,599)
Interest and investment income	0	(3,191)	(3,191)	(2,599)
Net Gain/(Loss) for the Year	42,395	272	42,667	36,101

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	Fair Value	Balance Sheet	Fair Value
		31/03/26 £'000	31/03/26 £'000	31/03/25 £'000	31/03/25 £'000
PWLB loans	2	(1,146,403)	(956,336)	(812,228)	(617,673)
LOBO loans	2	(50,000)	(51,347)	(104,057)	(111,883)
Other loans*	2	(17,000)	(17,581)	(75,000)	(77,197)
Lease payables	2	(44,963)	0	(73,280)	0
Total		(1,258,367)	(1,025,265)	(1,064,565)	(806,753)
Liabilities for which fair value is not disclosed		(148,405)		(111,360)	
Total financial liabilities		(1,406,771)		(1,175,926)	
Recorded on balance sheet as:					
- Short term creditors		(143,838)		(113,035)	
- Short term borrowing		(105,459)		(120,180)	
- Long term creditors		(16,159)		(16,724)	
- Long term borrowing		(1,121,222)		(873,113)	
- Other long term liabilities		(20,093)		(52,874)	
Total financial liabilities		(1,406,771)		(1,175,926)	

*Short-term borrowing from other local authorities is £17m (£75m for 2024/25), these are now disclosed as Other Loans.

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	Fair Value	Balance Sheet	Fair Value
		31/03/26 £'000	31/03/26 £'000	31/03/25 £'000	31/03/25 £'000
Cash and Cash Equivalents	2	116,123	116,123	23,214	21,214
Short Term Investments	2	163	163	39	39
Total		116,286	116,286	23,253	21,253
Assets for which fair value is not disclosed		113,431		125,039	
Total financial assets		229,717	116,286	148,292	21,253
Recorded on balance sheet as:					
- short term debtors		104,970		115,841	
- short term investments		163		39	
- long term debtors		8,461		9,198	
- cash and cash equivalents		116,123		23,214	
Total financial assets		229,717		148,292	

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 2025/26 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 £10 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 2026, the nominal value of the Council's investment portfolio was £81.3 million. The investments comprised of £50.0m deposited in five low volatility Money Market Funds and the balance of £31.3m was deposited with the Debt Management Office.

All investments made during the financial year were in accordance with the Council's approved credit rating criteria. Furthermore, as at 31 March 2026, 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 2026.

Discounted borrowing	31/03/2026	31/03/2025
	£'000	£'000
Public Works Loans Board	1,156,269	812,233
Market debt	812,233	50,990
Local government	50,990	101,996
	101,996	17,583,777,19
	7	77,197
Total	1,224,84399	991,426
	1,426	
Less than 1 year	154,760	170,172
Between 1 and 2 years	71,320	25,000
Between 2 and 5 years	233,960	190,000

Between 5 and 10 years	343,903	144,750
Between 10 and 20 years	144,750	114,417
Between 20 and 40 years	114,417	151,484
Between 40 and 50 years	151,484	155,000
More than 50 years	155,000	
	1,224,84399	991,426
	1,426	

Undiscounted borrowing	31/03/2026	31/03/2025
	£'000	£'000
Public Works Loans Board	1,654,432	1,249,643
Market debt	51,188	109,413
Local government	109,413	17,719,78,326
	6	78,326
Total	1,723,339	1,437,381

Less than 1 year	187,531	193,536
Between 1 and 2 years	110,876	52,715
Between 2 and 5 years	52,715	332,044
Between 5 and 10 years	261,195	442,729
Between 10 and 20 years	226,214	208,094
Between 20 and 40 years	270,729	280,544
Between 40 and 50 years	171,336	174,699
More than 50 years	174,699	
	1,723,339	1,437,381

NOTES TO THE STATEMENTS

The Council has £50 million (2025: £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.

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:

	31/03/2026	31/03/2025
	£'000	£'000
Increase in interest receivable on variable rate investments	4,628	2,280
Increase in interest payable on variable rate borrowings	0	0
Impact on Surplus or Deficit on Provision of Services	4,628	2,280
Decrease in fair value of fixed rate borrowing liabilities	60,33364,740	64,740

Market Risk – Price Risk

The Council does not invest in any pooled equity 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 2026 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 2026			31st March 2025		
	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor
	£000	£000	£000	£000	£000	£000
Central Government	15,650	0	15,650	19,475	0	19,475
Commercial Waste	65	(14)	51	127	(127)	0
Health Authorities	24,241	0	24,241	37,199	0	37,199
Housing Benefit Overpayments	32,343	(29,260)	3,083	35,691	(30,850)	4,841
Housing/ HRA Rent Payers	29,060	(31,179)	(2,119)	43,290	(42,499)	791
Local Taxation	58,518	(48,770)	9,749	50,591	(41,957)	8,635
Other Local Authorities	37,567	0	37,567	17,652	0	17,652
Other Receivables	16,387	0	16,387	30,140	0	30,140
Parking	54,766	(49,866)	4,900	55,573	(38,733)	16,840
Payment in Advance	2,673	0	2,673	3,098	0	3,098
Trade Receivables	48,873	(21,696)	27,178	44,233	(18,787)	25,446
Total Short Term Debtors	320,143	(180,785)	139,358	337,069	(172,953)	164,116

Long Term Debtors	31st March 2026			31st March 2025		
	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor
	£'000	£'000	£'000	£'000		
Advances & Deposits	68	0	68	68	0	68
Service Loans	52,859	(44,466)	8,393	53,746	(44,616)	9,130
Total Long Term Debtors	52,928	(44,466)	8,461	53,814	(44,616)	9,198

The above note includes the figures from Single Entity only. Group Entity Short Term Debtors total £141.0m as of 31 March 2026 (£164.1m as at 31 March 2025) and Group Entity Long Term Debtors total £3.6m as of 31 March 2026 (£4.2m as at 31 March 2025).

NOTES TO THE STATEMENTS

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.

2025/26 Expected Credit Loss/ Incurred Credit Loss Movement	Opening balance 01/04/2025	Additional/ Release of Provisions made During the Year	Amount Used During the Year	Closing Balance 31/03/2026
	£000	£000	£000	£000
Expected Credit Loss				
Housing Rent	(16,417)	(835)	8,946	(8,306)
Other (Sundry/ Commercial/ Leisure)	(14,103)	(2,628)	430	(16,300)
	(30,519)	(3,463)	9,376	(24,606)
Incurred Credit Loss				
Housing Other	(26,133)	(2,788)	5,965	(22,956)
Housing Benefit Overpayment	(30,850)	314	1,276	(29,260)
Local Taxation	(41,957)	(7,122)	309	(48,770)
Parking	(38,733)	(45,444)	34,311	(49,866)
Other	(4,761)	(566)	1	(5,327)
	(142,433)	(55,606)	41,861	(156,178)
	(172,952)	(59,069)	51,237	(180,785)

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	31/03/2026	31/03/2025
	£'000	£'000
One year or less than one year	5,717	5,268
More than one year	3,361	2,795
Total	9,078	8,063

Non-Domestic Rates	31/03/2026	31/03/2025
	£'000	£'000
One year or less than one year	487	414
More than one year	183	159
Total	670	573

NOTES TO THE STATEMENTS

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 Accounts	
	31/03/26	31/03/25	31/03/26	31/03/25
	£'000	£'000	£'000	£'000
Cash in hand and at bank	34,838	9,584	46,184	16,495
Short-term deposits	81,285	13,630	81,285	13,630
Total	116,123	23,214	127,469	30,125

18. Creditors

The following tables provide an analysis of money owed by the Council as at 31 March 2026.

	Long Term		Short Term	
	31/03/26	31/03/25	31/03/26	31/03/25
	£'000	£'000	£'000	£'000
Central Govt bodies	0	0	(14,595)	(35,082)
Other local authorities	0	0	(9,760)	(14,243)
NHS bodies	0	0	(9,050)	(9,250)
Receipt in Advance	0	0	(13,844)	(29,524)
Trade Payables	(1,943)	(1,912)	(139,997)	(111,260)
Other Payables	(14,216)	(14,812)	(1,268)	(558)
PFI	0	0	0	(2,008)
Council Tax & NNDR	0	0	(12,835)	(11,860)
Overpayments	0	0		
Total	(16,159)	(16,974)	(201,349)	(213,784)

The above note includes the figures from Single Entity only. Group Entity Short Term Creditors total £211.8m as of 31 March 2026 (£218.7m as of 31 March 2025) and Group Entity Long Term Creditors total £16.1m as of 31 March 2026 (£16.7m as at 31 March 2025).

NOTES TO THE STATEMENTS

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 2025	(11,867)	(1,897)	(1,577)	(11,481)	(26,822)
Provisions made in 2025/26	(2,020)	(657)	0	(2,429)	(5,106)
Amounts used in 2025/26	1,302	0	0	594	1,896
Unused amount reversed in 2025/26	0	0	1,577	0	1,577
Balance at 31 March 2026	(12,585)	(2,554)	0	(13,316)	(28,455)
Of which:					
Long Term	0	0	0	(1,004)	(1,004)
Short Term					(27,451)

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.

NOTES TO THE STATEMENTS

20. Unusable reserves

	2025/26	2024/25
	£'000	£'000
Collection Fund Adjustment	(1,152)	(5,422)
Revaluation Reserve	(1,341,717)	(1,287,832)
Pensions Reserve	148,730	213,026
Capital Adjustment Account	(860,532)	(940,972)
Deferred Capital Receipts	(960)	(960)
Financial Instruments Adjustment	1,819	1,860
Dedicated School Grant Adjustment	9,772	9,507
Accumulated Absences	8,847	10,897
Total	(2,035,195)	(1,999,897)

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.

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	(5,422)	(5,586)
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	4,270	164
Balance as at 31 March	(1,152)	(5,422)

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 consumed through depreciation or disposed of 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 £80m as at 31 March 2025 (£104m at 31 March 2024).**

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	(1,287,832)	(1,188,187)
(Surplus) or deficit on revaluation of property, plant and equipment	(67,929)	(129,033)
Difference between fair value depreciation and historical cost depreciation	13,335	11,805
Revaluation losses & impairments written off to previous gains	(5,239)	15,720
Revaluation balances on disposed assets	5,947	1,863
Balance as at 31 March	(1,341,718)	(1,287,832)

NOTES TO THE STATEMENTS

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 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.

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	213,026	(87,281)
Remeasurements recognised in Other Comprehensive Income and Expenditure	(55,632)	312,417
Reversal of items relating to retirement benefits debited or credited to SDPOS	(8,664)	(12,110)
Balance as at 31 March	148,730	213,026

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.

NOTES TO THE STATEMENTS

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	(940,972)	(1,077,716)
<i>Reversal of items relating to capital expenditure debited or credited to CIES</i>		
- charges for depreciation and impairment of NCA	54,774	77,012
- revaluation gains and reversals of losses on PPE	128,783	164,668
- amortisation of intangible assets	5,041	5,185
- REFCUS	46,351	24,563
- amounts of NCA written off on disposal or sale as part of the gains/loss on disposal to CIES	40,021	10,937
	274,970	282,365
Adjusting amounts written out of Revaluation Reserve	(13,642)	(29,388)
Net written out amount of the cost of NCA consumed in the year	261,328	252,977
<i>Capital financing applied in the year</i>		
- Capital Receipts	(9,098)	(7,215)
- Capital Grants	(25,065)	(78,397)
- Major Repairs Reserve	(102,235)	(22,891)
- Revenue Contributions	(173)	(1,898)
- Minimum revenue provision	(17,586)	(31,103)
	(154,158)	(141,505)
Movements in the market value of Investment Properties debited or credited to CIES	(11,128)	19,444
Other adjustments*	(15,602)	5,828
Balance as at 31 March	(860,532)	(940,972)

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 2025 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.

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	9,508	9,553
Transferred into DSG Reserve during year	264	(45)
Balance as at 31 March	9,772	9,508

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 2025/26 is £20.93m. As a result of the funding, the cumulative High Needs Block DSG deficit at 31st March 2026 is £9.772m from the high level of £20.505m as at 31st March 2022.

NOTES TO THE STATEMENTS

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, e.g. 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.

	2025/26	2024/25
	£'000	£'000
Balance as at 1 April	10,897	9,103
Settlement / cancellation of accrual made at the end of the preceding year	(10,897)	(9,103)
Amounts accrued at the end of the current year	8,847	10,897
Amount by which officer remuneration charged to the CIES on an accruals basis is different from charges in accordance with statute	(2,050)	1,794
Balance as at 31 March	8,847	10,897

NOTES TO THE STATEMENTS

21. Cash Flow Statement - Operating Activities

	Single Entity 2025/26 £000	Single Entity 2024/25 £000	Group 2025/26 £000	Group 2024/25 £000
Interest received	3,067	2,579	3,067	2,579
Interest paid	(41,157)	(33,486)	(41,157)	(33,486)

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

	Single Entity 2025/26 £000	Single Entity 2024/25 £000	Group 2025/26 £000	Group 2024/25 £000
Depreciation	59,959	68,244	61,960	70,153
Impairment and downward valuations	134,757	172,152	134,757	172,152
Amortisation	(144)	5,185	(144)	5,185
Increase/(decrease) in creditors	(4,357)	20,753	(736)	21,972
Increase/(decrease) in Provisions	1,632	(1,857)	1,632	(1,857)
(Increase)/decrease in debtors	25,239	(36,591)	25,596	(37,407)
(Increase)/decrease in inventories	(11)	(28)	(48)	(26)
Movement in pension liability	(8,664)	(12,110)	(8,830)	(12,223)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	23,165	10,937	23,615	10,937
Movement in FV of Investment Property	11,128	19,444	11,128	19,444
Other non-cash items charged to the net surplus or deficit on the provision of services	(3,996)	6,043	(6,548)	5,305
	238,709	252,172	242,382	253,635

NOTES TO THE STATEMENTS

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	
	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(22,132)	(14,664)	(22,132)	(14,664)
Capital Grants credited to SDPOS	(98,795)	(73,043)	(98,795)	(73,043)
	(120,927)	(87,707)	(120,927)	(87,707)

22. Cash Flow Statement - Investing Activities

	Single Entity		Group	
	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000
Purchase of property, plant and equipment, investment property and intangible assets	(289,190)	(220,478)	(290,507)	(223,385)
Capital Loans to Subsidiaries	0	0	(409)	(469)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	22,132	14,664	22,132	14,664
Capital Grants and Other Investments received	132,612	56,208	132,612	56,208
Net cash flows from investing activities	(134,446)	(149,606)	(136,172)	(152,982)

NOTES TO THE STATEMENTS

23. Cash Flow Statement - Financing Activities

	Single Entity		Group	
	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000
Cash receipts of short- and long-term borrowing	392,150	265,000	392,150	265,000
Other receipts from financing activities	419	0	419	0
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(31,630)	(27,548)	(31,630)	(27,548)
Repayments of short- and long-term borrowing	(160,000)	(103,179)	(160,000)	(103,179)
Other payments for financing activities	(7,743)	(2,665)	(7,743)	(2,665)
Net cash flows from financing activities	193,196	131,608	193,196	131,608

23a Reconciliation of Financial Liabilities from financing activities

	Opening Balance as at 01.04.2025	Financing Cash Flows	Non Cash Changes	Closing Balance as at 31.03.2026
	£'000	£'000	£'000	£'000
Long Term Borrowings	873,113	248,109	(41)	1,121,181
Short Term Borrowings	120,179	(16,000)	1,279	105,458
Lease Liabilities	3,187	(658)	44,684	47,213
On Balance sheet PFI liabilities	2,008	(2,105)	98	1
Total	998,487	229,346	46,020	1,273,853

NOTES TO THE STATEMENTS

24. Members allowances

The total of Members' allowances paid in 2025/26 was £1.177 million compared to £1.164 million in 2024/25. 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:

	2025/26	2024/25
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year -KPMG	555	533
Fees for HB subsidy claims audit- KPMG	26	74
Fees payable in respect of grant claims and returns provided during the year-KPMG	16	22
Provisional Fee Variation	132	0
Total	729	629

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

2025/26 Section 75 Pooled Budget

	Gross Expenditure 2025/26	ICB's Contribution 2025/26	Haringey's Contribution 2025/26	TOTAL Contribution 2025/26
	£'000	£'000	£'000	£'000
Adults Mental Health	21,758	(6,820)	(14,938)	21,758
Adult Learning Disabilities Support	44,077	(13,266)	(30,810)	44,077
Child and Adolescent Mental Health services (CAMHS)	2,715	(1,747)	(968)	2,715
Better Care Fund (BCF)	26,223	(26,223)	0	26,223
OP/LTC (incl DFG & Additional Discharge Fund)	4,671	(1,347)	(3,324)	4,671
Improved Better Care fund (iBCF)	12,097	0	(12,097)	12,097
Violence Against Women and Girls (VAWG)	59	(32)	(28)	59
Children and Young Persons (CYP)	10,083	(2,845)	(7,238)	10,083
TOTAL	121,684	(52,280)	(69,404)	121,684

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

*The account presented here are memorandum account as the figures are already incorporated in the Core Statement of Account set out in Page 29 to 33

NOTES TO THE STATEMENTS

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

In 2024/25, 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. Haringey CCG, 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 (not including Improved Better Care Fund) was £32.4m in 2024/25 to which the Council's contribution was £5.2m and £27.2m was the contribution of Haringey ICB. In relation to the improved Better Care Fund the Council utilised the entire amount of £9.8m.

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	2025-26	235,584	0	0	235,584
	2024-25	228,279	0	0	228,279
Taryn Eves (started 01.05.2024) (Director of Finance & Resources)	2025-26	168,374	0	40,410	208,784
	2024-25	139,956	0	32,805	172,761
Director of Placemaking & Housing - D Joyce (Left 30.09.2024)	2025-26	0	0	0	0
	2024-25	77,791	0	18,281	96,072
Director of Adults, Health & Communities - B Tarka	2025-26	0	0	0	0
	2024-25	169,920	0	39,931	209,851
Director of Adults, Health & Communities - S Fishenden (previously assistant Director)	2025-26	164,799	0	39,552	204,351
	2024-25	115,755	0	27,202	142,957
Corporate Director of Children's Services - A Graham	2025-26	175,359	0	42,086	217,445
	2024-25	170,389	0	39,931	210,320
Jess Crowe (Director of Culture, Strategy & Engagement)	2025-26	160,618	0	39,748	200,366
	2024-25	161,775	0	38,017	199,792
Barry Francis (Corporate Director of Environment & Resident Experience)	2025-26	175,359	0	42,086	217,445
	2024-25	169,968	0	39,931	209,899

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):

	2025/26	2024/25
	No. of employees	No. of employees
£50,000 - £54,999	540	472
£55,000 - £59,999	409	376
£60,000 - £64,999	325	269
£65,000 - £69,999	271	178
£70,000 - £74,999	112	106
£75,000 - £79,999	89	63
£80,000 - £84,999	51	38
£85,000 - £89,999	35	35
£90,000 - £94,999	14	21
£95,000 - £99,999	44	25
£100,000 - £104,999	13	15
£105,000 - £109,999	12	14
£110,000 - £114,999	12	11
£115,000 - £119,999	12	6
£120,000 - £124,999	6	9
£125,000 - £129,999	8	4
£130,000 - £134,999	8	2
£135,000 - £139,999	0	3
£140,000 - £144,999	0	0
£145,000 - £149,999	0	5
£190,000 - £194,999	3	2
Total	1,964	1,654

NOTES TO THE STATEMENTS

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 2025/26	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	66	15	81	822,568
£20,001 - £40,000	30	7	37	1,099,585
£40,001 - £60,000	14	1	15	794,969
£60,001 - £80,000	8	0	8	548,406
£80,001 - £100,000	5	1	6	536,871
£100,001 - £150,000	3	0	3	320,703
£150,001 - £200,000	0	0	0	0
£200,001 - £250,000	0	0	0	0
	126	24	150	4,123,102

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	129,235
£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	655,852
£200,001 - £250,000	0	1	1	201,303
	64	46	110	£ 3,407,621

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.

	Central £'000	ISB £'000	Total £'000
Final DSG for 2025/26 before academy and high needs recoupment			343,402
Academy and high needs figure recouped for 2025/26			90,681
Total DSG after academy and high needs recoupment for 2025/26			252,721
Plus: Brought forward from 2024/25			10,997
Less: Carry-forward to 2026/27 agreed in advance			0
Agreed initial budgeted distribution in 2025/26	118,008	145,711	263,719
In-year adjustments	2,825	0	2,825
Final budget distribution for 2025/26	120,832	145,711	266,543
Less: Actual central expenditure	110,099		110,099
Less: Actual ISB deployed to schools		145,711	145,711
Plus: Local authority contribution for 2025/26			0
In-year carry-forward to 2026/27	10,733	0	10,733
Plus: Carry-forward to 2026/27 agreed in advance			0
Carry-forward to 2026/27			10,733
DSG unusable reserve at the end of 2024/25			(20,505)
Addition to DSG unusable reserve at the end of 2025/26			0
Total of DSG unusable reserve at the end of 2025/26			(20,505)
Net DSG position at the end of 2025/26			(9,772)

NOTES TO THE STATEMENTS

30. Grant income

The Council credited the following grants, contributions and donations to the CIES in 2025/26.

		2025/26	2024/25
		£000	£000
Credited to Services			
Dept of Works & Pensions Grants	Housing Benefits Subsidy	(112,871)	(139,994)
	Household Support Fund	(4,242)	(4,813)
	Discretionary Housing payment	(1,193)	(1,193)
Dept for Education Grants	Dedicated Schools Grant	(250,751)	(231,101)
	Safety Valve Payment	(2,990)	(1,910)
	Pupil Premium	(8,955)	(9,533)
	Schools Supplementary Grant (SSG)	(4,483)	(3,473)
	16+ Learning	(6,842)	(6,925)
	PFI	(2,596)	(5,669)
	Universal Infant school meal	(6,399)	(6,405)
	DFE Other Revenue Grants	(10,276)	(11,917)
Department of Health Grants	Public Health Grant	(24,660)	(23,214)
	DHSC Other Revenue Grants	(7,929)	(8,141)
MHCLG Grants	Homelessness Grant	(2,892)	(3,096)
	Tackling Troubled Families	(1,663)	(1,663)
	Council tax Rebate- Energy	0	0
	Flexible Housing	(14,560)	(10,772)
	Adult Social Care	(41,838)	(37,491)
	Ukraine Refugees Grant	0	(2,059)
GLA Grants	GLA Grants	(1,020)	(1,265)
Home Office Grants	Home Office Grants	(3,902)	(3,587)
Various Government Depts	Other Revenue Grants	(12,220)	(7,586)
Contributions	NHS Bodies	(16,913)	(26,674)
	Other Bodies	(15,964)	(6,893)
Capital Grants to services	Disability Facility Grant	(3,526)	(3,215)
Total Government Grants		(558,685)	(558,589)

	2025/26	2024/25
Credited to Taxation and Non-Specific Grant Income	£000	£000
New Homes Bonus	(320)	(1,789)
Revenue Support Grant	(27,858)	(27,333)
S31 Business Rate Relief	(24,655)	(25,892)
Services Grant	0	(572)
Employer NIC Grant	(2,539)	0
Recovery Grant	(5,358)	0
Other General Grants	(446)	(2,026)
Sub Total Government Grants	(61,176)	(57,612)
Business Rates (NNDR) top up	(66,271)	(66,718)
Sub Total Revenue Grants	(127,447)	(124,330)
Capital Grants	(95,242)	(69,828)
Donations	(27)	(9)
Total	(222,716)	(194,167)

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:

	2025/26	2024/25
Capital Grants & Contribution Received in Advance	£000	£000
New Build Grant	(94,856)	(69,996)
S106 Contribution	(16,405)	(17,452)
DBEIS Funding	(8,644)	(8,652)
Mayors Land Fund	(5,669)	0
MHCLG Grants	(3,904)	(479)
Other Grants	(2,058)	(1,271)
Total	(131,536)	(97,850)

	2025/26	2024/25
Capital Grants Received in Advance Balance Sheet Analysis	£000	£000
Short Term	(115,131)	(80,398)
Long Term	(16,405)	(17,452)
Total	(131,536)	(97,850)

	2025/26	2024/25
Revenue Grants Received in Advance	£000	£000
GLA Revenue Grants	0	0
MHCLG Revenue Grants	(1,176)	0
CO - One Pub Est Pship	(230)	(230)
Total	(1,406)	(230)
Total Grants & Contributions Received in Advance	(132,942)	(98,080)

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 £0.09m as at 31 March 2026 and the Council charged the fund £1.051m for administration in 2025/26 (£0.546m and £0.966m respectively in 2024/25).

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 2025/26 were £5.4 million and £0.3 million (respectively £8.9 million and £0.2 million in 2024/25).

The Total debt owed by Alexandra Park and Palace Charitable Trust at the year-end is £48.4m. Most of these debts (£43.1m), are historic debt balances owed by the Trust that have not been legally discharged. £5.3m 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 2025/26 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 2025/26, Haringey has provided financial support to or purchased services from 11 charitable or voluntary organisations (11 in 2024/25) in which 24 members have declared an interest (30 in 2024/25). 16 of these instances were as a representative of the Council and 8 in a personal capacity (21 and 12 respectively in 2024/25). For 2025/26, the total value of payments due and amounts receivable totalled £7.447 million (£2.102 million in 2024/25). This includes amounts outstanding of £0.273 million (£0.145 million in 2024/25).

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. Three 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.

Capital Financing Requirement at 1 April	1,418,891	1,219,671
Adjustment to correct historic discrepancy on reported CFR		30,721
Capital investment		
- Property, Plant and Equipment	288,372	219,436
- Long term loans	150	6,025
- Right of Use Assets	261	56,818
- Investment Properties	1,738	75
- Intangible Assets	2,643	3,086
- REFCUS	11,063	24,563
	304,227	340,724
Sources of finance		
- Capital receipts	(13,064)	(7,215)
- Government grants and other contributions	(102,235)	(78,397)
- Major Repairs Allowance	(25,065)	(22,891)
- Direct revenue contributions	(173)	(1,898)
- Minimum Revenue Provision**	(17,586)	(31,103)
	(158,123)	(141,504)
Closing CFR	1,564,995	1,418,891
Explanation of movements in year		
Provision to reduce underlying need to borrow (MRP)	(17,586)	(31,103)
Increase in underlying need for supported borrowing	163,690	230,323
Increase/(Decrease) in CFR	146,104	199,220

NOTES TO THE STATEMENTS

33. Leases

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 Right of Use Assets in the Balance Sheet at the following net amounts.

Right of Use Assets	Land and Buildings	Vehicles, Plant, Furniture and Equipment
	£'000	£'000
Balance at 1 April 2025	18,430	21,258
Digital Contracts	0	(21,258)
Additions	261	26,137
Disposals	(2,138)	
Depreciation and Amortisation	(2,787)	(7,916)
Balance at 31 March 2026	13,766	18,221

	Investment Properties
	£'000
Balance at 1 April 2025	11,182
Additions	123
Revaluations	1,136
Balance at 31 March 2026	12,441

NOTES TO THE STATEMENTS

Maturity Analysis

	2025/26	2024/25
	£'000	£'000
Less than one year	24,870	20,406
Between one and five years	2,223	25,767
Greater than five years	21,057	27,107
Total	48,150	73,280

	31/03/26	31/03/25
	£'000	£'000
Interest expense on lease liabilities	1,960	3,481

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.

	31/03/26	31/03/25
	£'000	£'000
Not later than one year	4,461	7,063
Later than one year and not later than five years	15,020	18,877
Later than five years	92,247	87,330
Total	111,728	113,270

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.

NOTES TO THE STATEMENTS

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. The PFI arrangement ended in September 2025. The total sum paid in the 2025/26 is £2.1m, including interest charges.

Opening Balance as at 1/4/2025	2,008
Interest Charge	105
Payment during 2025/26	(2,112)
Closing balance as at 31/3/2026	0

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 2025/26 the Council paid £21.625 million (£21.180 million in 2024/25) to Teachers' Pensions in respect of teachers' pension costs which represented 28.68% of teachers' pensionable pay from April 2025 to March 2026. From 1st April 2025, the employer's contribution rate will increase to 28.68%. The expected contributions for 2025/26 is £22.037 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 £17.697 million for the LGPS (£19.215 million in 2024/25) and £9.655 in respect of Teachers unfunded pensions (£10.520 million in 2024/25). At 31st March 2026 the Scheme had 699 members in respect of LGPS and 263 members in respect of Teachers unfunded pensions (765 and 288 respectively as at 31st March 2025).

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	
	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000
Cost of Services				
- Current Service Cost	29,982	37,352	0	0
- Past Service Cost	568	946	0	0
Total	30,550	38,298	0	0
Net Interest Expense	11,747	(4,370)	0	0
Total charged to SDPOS	42,297	33,928	0	0
Other Comprehensive Income and Expenditure				
- Return on plan assets	(119,999)	22,926	0	0
- actuarial gains/losses (changes in financial assumptions)	(47,783)	(250,111)	0	0
- actuarial gains/losses (changes in demographic assumptions)	(26,345)	(2,912)	0	0
- other	117,781	(16,115)	0	0
Changes in the effect of asset ceiling	16,714	558,629		
Total	(55,632)	312,417	0	0

	Group	
	2025/26	2024/25
	£'000	£'000
Cost of Services		
- Current Service Cost	29,993	37,365
- Past Service Cost	568	946
Total	30,561	38,311
Net Interest Expense	11,595	(4,472)
Total	42,156	33,839
Other Comprehensive Income and Expenditure		
- Return on plan assets	(120,338)	22,926
- actuarial gains/losses (changes in financial assumptions)	(26,372)	(250,116)
- actuarial gains/losses (changes in demographic assumptions)	(43,834)	(3,236)
- other	117,709	(16,145)
Changes in the effect of asset ceiling	16,714	558,629
Total	(56,121)	312,058

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.

	£'000	£'000
Reversal of net IAS 19 charges	(42,297)	(33,928)
Actual amount charged for pensions in the year	50,961	46,038

NOTES TO THE STATEMENTS

Pension assets and liabilities recognised in the Balance Sheet

	LGPS		Unfunded	
	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000
Present value of obligation	(1,505,780)	(1,422,945)	(27,352)	(29,735)
Fair value of plan assets	2,030,679	1,798,283	0	0
Net Asset / (liability)	524,899	375,338	(27,352)	(29,735)
Effect of asset ceiling	(646,277)	(558,629)	0	0
Net (Liability) / asset	(121,378)	(183,291)	(27,352)	(29,735)

Note: In 2025/26 the Council assessed the availability of economic benefits from its participation in the LGPS in accordance with IAS 19 and IFRIC 14. Under these requirements, a surplus may only be recognised to the extent the Council has an unconditional right to a refund and/or can realise reductions in future contributions; in addition, where a minimum funding requirement commits the Council to agreed deficit (secondary) contributions that cannot be recovered through refunds or future contribution reductions, an additional liability must be recognised. Following updated actuarial measurements and the funding arrangements in place at 31 March 2026, the Council concluded that no surplus was recognisable and that the commitment to future deficit recovery (secondary) contributions gave rise to an additional liability of £148 million at the year end. This reflects the application of IFRIC 14 to the Council's current funding position and assumptions as at the balance sheet date. In 2024/25 the Council applied an asset ceiling of £558m. The 2025/26 outcome therefore is in line with the same accounting policy and judgement applied in 2024/25. The Council will reassess these conditions at each reporting date.

	Single Entity		Group Amounts	
	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000
Present value of obligation	(1,533,132)	(1,452,680)	(1,535,766)	(1,455,302)
Fair value of plan assets	2,030,679	1,798,283	2,001,930	1,803,530
Net Asset/ (liability)	497,547	345,603	466,164	348,228
Effect of asset ceiling	(646,277)	(558,629)	(646,104)	(558,629)
Net Asset/ (liability)	(148,730)	(213,026)	(179,940)	(210,401)

Asset Ceiling Reconciliation

	Impact
	£'000
	2025/26
Effect of asset ceiling - start of period	0
Net interest	0
Remeasurement gain/(loss)	646,277
Effect of asset ceiling - end of period	646,277

NOTES TO THE STATEMENTS

Reconciliation of Movement in Fair Value of Scheme Assets

Scheme Assets	LGPS		Unfunded	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Opening fair value of scheme assets	1,834,727	1,748,618	0	0
Interest income	106,285	83,614	0	0
Remeasurement gain / (loss)				
- the return on plan assets	119,999	(22,926)	0	0
- other experience changes	(25,831)	0	0	0
Employer contributions	50,961	42,513	3,374	3,525
Contributions from employees into the scheme	13,590	12,380	0	0
Benefits paid	(65,678)	(65,916)	(3,374)	(3,525)
Effect of Business combinations & Disposals	0	0	0	0
Closing fair value	2,034,053	1,798,283	0	0

	Single Entity		Group Accounts	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Opening fair value of scheme assets	1,834,727	1,748,618	1,839,974	1,753,740
Interest income	106,285	83,614	106,585	83,856
Remeasurement gain / (loss)				
- the return on plan assets	119,999	(22,926)	120,338	(22,887)
- other experience changes	(25,831)	0	(25,831)	0
Employer contributions	50,961	46,038	50,986	46,062
Contributions from employees into the scheme	13,590	12,380	13,593	12,383
Benefits paid	(65,678)	(69,441)	(69,225)	(69,624)
Effect of Business combinations & Disposals	0	0	0	0
Closing fair value	2,034,053	1,798,283	2,036,420	1,803,530

NOTES TO THE STATEMENTS

Reconciliation of Present Value of Defined Benefit Obligation

Scheme Assets	LGPS		Unfunded	
	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000
Opening Defined Benefit Obligation	(1,422,945)	(1,629,133)	(29,735)	(32,204)
Current Service cost	(29,982)	(38,298)	0	0
Service cost	(568)	(946)	0	0
Interest cost	(83,542)	(79,244)		
Contributions by Scheme Participants	(13,590)	(12,380)	0	0
Remeasurement gain / (loss)				
- financial assumptions	43,783	250,111	0	0
- demographic assumptions	26,345	2,912	0	0
- other experience changes	(91,950)	16,115	0	0
Effect of Business combinations & Disposals	0	65,916	0	3,525
Benefits paid	65,678	0	3,374	0
Closing Defined Benefit Obligation	(1,506,771)	(1,424,001)	(26,361)	(28,679)

Scheme Liabilities	Single Entity		Group Amounts	
	2025/26	2024/25	2025/26	2024/25
	£'000	£'000	£'000	£'000
Balance as at 1st April	(1,452,680)	(1,661,337)	(1,664,345)	(1,664,345)
Current service cost	(29,982)	(37,352)	(37,365)	(37,365)
Past service cost	(568)	(946)	(946)	(946)
Interest cost	(83,542)	(79,244)	(79,384)	(79,384)
Contributions from scheme participants	-13590	(12,380)	(12,383)	(12,383)
Remeasurement gain / (loss)			0	0
- financial assumptions	43,783	250,111	2,917	250,116
- demographic assumptions	26,345	2,912	250,435	3,236
- other experience changes	(91,950)	16,115	16,145	16,145
Benefits paid	69,052	69,441	69,441	69,624
Balance as at 31st March	(1,533,132)	(1,452,680)	(1,455,485)	(1,455,302)

NOTES TO THE STATEMENTS

Analysis of Scheme Assets:

Single Entity

2025/26	Quoted - active markets £'000	Not quoted - no active markets £'000	Total £'000	% of Total Assets %
Cash and cash equivalents	0	231,712	231,712	11
Private equity	0	110,239	110,239	5
Debt securities	349,996	0	349,996	17
Real estate: UK property	0	205,858	205,858	10
Investment funds and unit trusts				0
- equities	843,149	0	843,149	42
- bonds	221,324	0	221,324	11
- infrastructure	0	68,977	68,977	3
Sub-total	1,064,473	68,977	1,133,450	56
Total assets	1,414,469	616,786	2,031,255	100

2024/25	Quoted - active markets £'000	Not quoted - no active markets £'000	Total £'000	% of Total Assets %
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

Group Accounts

2025/26	Quoted - active markets £'000	Not quoted - no active markets £'000	Total £'000	% of Total Assets %
Cash and cash equivalents	632	231,712	232,344	11
Private equity	0	110,239	110,239	5
Debt securities	349,996	0	349,996	17
Real estate: UK property	0	205,858	205,858	10
Investment funds and unit trusts			0	0
- equities	846,077	0	846,077	42
- bonds	222,931	0	222,931	11
- infrastructure	0	68,977	68,977	3
Sub-total	1,069,008	68,977	1,137,985	56
Total assets	1,419,636	616,786	2,036,422	100

2024/25	Quoted - active markets £'000	Not quoted - no active markets £'000	Total £'000	% of Total Assets %
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

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 6.2% (5.8% in 2024/25).

The Council's Pension Scheme liabilities as at 31st March 2026 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.

	2025/26	2024/25
Mortality assumptions		
- Longevity at 65 for male current pensioners	21.7 years	21.1 years
- Longevity at 65 for female current pensioners	24.5years	24.0 years
- Longevity at 65 for male future pensioners	22.8 years	22.3 years
- Longevity at 65 for female future pensioners	25.9years	25.6 years
Rate of increase in salaries	4.0%	3.8%
Rate of increase in pensions	3.0%	2.8%
Rate for discounting scheme liabilities	6.2%	5.8%

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	1	21,471
1 year increase in member life expectancy	4	61,325
0.1% increase in salary increase rate	0	770
0.1% increase in pension increase	1	20,686

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 2026.

The scheme actuary has estimated that the weighted average duration of the defined benefit obligation for scheme members is 16 years.

Virgin Media Ltd vs NTL Trustees - On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension

changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this could apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.

37. Contingent assets and liabilities

There were no material contingent assets as at 31st March 2026.

There were no material contingent liabilities as at 31st March 2026.

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

NOTES TO THE STATEMENTS

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)

A new subsidiary was registered in September 2025, Haringey Culture Collective – A Charitable Company Limited by Guarantee to deliver the London Borough of Culture in 2027. The only financial activity in the year is an immaterial sum paid to it by the Council.

The entities have prepared accounts in line with UK GAAP and:

- 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 £106.978 million (£130.149 million as at 31 March 2024) 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.

NOTES TO THE STATEMENTS

The financial performance of Homes for Haringey Limited is summarised below:

	2025/26	2024/25
	£000	£000
Turnover	(4,351)	(4,467)
(Surplus)/ Deficit for the year	0	67
Accumulated deficit/ (suplus)	151	151

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.

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 corporate 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:

	2025/26	2024/25
	£000	£000
Turnover	(31,776)	(28,626)
(Surplus) / Deficit for the year	(899)	(1,023)
Reserves:		
Unrestricted Reserves	(25,309)	(25,309)
Restricted Reserves	(959)	(952)
	(26,268)	(26,261)

NOTES TO THE STATEMENTS

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 2025	106,978	0	3,527	110,505
Additions	730	0	587	1,317
Revaluations	(25,498)	22	0	(25,476)
Disposals	0	0	0	0
Transfers	0	(22)	22	0
At 31 March 2026	82,210	0	4,136	86,346
Depreciation				
At 1 April 2024	0	0	1,864	1,864
Transfer	0	0	0	0
Charge for the year	772	0	345	1,117
Disposals	0	0	0	0
Accumulated Dep written out	(772)	0	0	(772)
At 31 March 2026	0	0	2,209	2,209
NBV as 31 March 2026	82,210	0	1,927	84,137
NBV as 31 March 2025	106,978	0	1663	108,641

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	2025/26	2024/25
	£'000	£'000
Expenditure		
Repairs and maintenance	41,434	37,262
Supervision and management	43,911	46,091
Rents, rates, taxes and other charges	5,816	5,897
Depreciation	25,065	22,891
Revaluation (gains) / losses	122,708	169,474
Debt Management Costs	196	49
Increase in impairment of debtors	2,788	2,027
Total Expenditure	241,918	283,691
Income		
Dwelling rents	(105,103)	(100,373)
Non-dwelling rents	(644)	(708)
Charges for services and facilities	(27,134)	(27,423)
Contributions towards expenditure	(3,034)	(3,400)
Total Income	(135,915)	(131,904)
Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement	106,003	151,787
HRA service share of Corporate and Democratic Core	744	681
Net expenditure or (income) for HRA Services	106,747	152,468
HRA share of operating income and expenditure included in the Comprehensive I&E Statement		
Gain on sale of HRA non-current assets	(2,097)	(4,527)
Interest payable and similar charges	22,650	16,943
Interest and investment Income	(6,198)	(4,886)
Net interest on the net defined benefit liability	1,574	(594)
Changes to fair value of investment properties	(3,393)	(1,085)
Capital grants and contributions	(74,212)	(42,238)
	(61,676)	(36,387)
(Surplus) or deficit for the year on HRA services	45,071	116,081

HOUSING REVENUE ACCOUNT

Movement on the HRA Statement	2025/26	2024/25
	£'000	£'000
Balance on the HRA at the end of the previous year	(25,345)	(22,348)
(Surplus) or deficit for the year on HRA income and expenditure Statement	45,071	116,081
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	(45,107)	(126,157)
- Gain on sale of HRA non-current assets	2,097	4,527
- HRA share of contributions to or from the Pensions Reserve	563	952
- Capital expenditure funded by the HRA	0	1,600
- Transfer to/(from) Major Repairs Reserve	25,065	22,891
- Transfer to/(from) Capital Adjustment Account	(25,065)	(22,891)
Net (increase)/decrease before transfers to or from reserves	2,624	(2,997)
(Increase)/Decrease in year on the HRA	2,624	(2,997)
Balance on the HRA at the end of the year	(22,721)	(25,345)

HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT

1. Vacant possession

As at 31st March 2026, the vacant possession value of dwellings within the HRA was £7,185 million (£6,895 million as at 31st March 2025). 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 2026	31 March 2025
Hostels	103	103
Houses and bungalows	4,969	4,962
Flats and maisonettes	11,362	10,936
Shared ownership	13	13
Total	16,447	16,014

3. Value of assets held on the balance sheet

	31 March 2026	31 March 2025
Type of assets	£'000	£'000
Dwellings	1,826,728	1,724,384
Other land and buildings	242,267	187,803
Assets under construction	182,534	204,414
Surplus assets	0	1,120
Investment properties	8,781	5,231
Total	2,260,310	2,122,952

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.

	2025/26	2024/25
	£'000	£'000
<i>Capital investments</i>		
Existing dwellings	43,765	41,640
New homes and acquisitions	177,645	118,300
	221,410	159,940
<i>Funded by</i>		
Borrowing	110,086	83,917
Useable capital receipts	7,984	2,673
Revenue contributions	0	1,600
Grants and contributions	78,275	48,859
Major repairs reserve	25,065	22,891
	221,410	159,940

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.

	2025/26	2024/25
	£'000	£'000
Dwellings	(20,996)	(9,059)
Land and other property	(436)	(359)
	(21,432)	(9,418)

HOUSING REVENUE ACCOUNT

6. Depreciation

	2025/26	2024/25
	£'000	£'000
<i>Operational assets:</i>		
Dwellings	22,701	21,317
Other land and buildings	2,364	1,574
	25,065	22,891

7. Major Repairs Reserve

The HRA capital asset charges are based on building values and asset lives of the property held.

	2025/26	2024/25
	£'000	£'000
Balance at 1st April	0	0
Amount transferred to Major Repairs Reserve	(25,065)	(22,891)
Capital expenditure on dwellings	25,065	22,891
Balance at 31st March	0	0

8. Rent Arrears

The rent arrears at the end of the financial year are set out below.

	31 March 2026	31 March 2025
	£'000	£'000
Tenants (Permanent and Temporary)	21,031	26,512
Total Tenants Arrears	21,031	26,512

9. Bad Debt Provision

The bad debt provision in respect of all HRA uncollectable debts at the end of the financial year is set out below.

	31 March 2026	31 March 2025
	£'000	£'000
Tenants	19,213	23,012
Leaseholders	3,660	3,070
Commercial	30	22
Sundry	53	29
Total Bad Debt Provision	22,956	26,133

HOUSING REVENUE ACCOUNT

COLLECTION FUND

	2025/26				2024/25			
	BRS £000	NNDR £000	Council Tax £000	Total £000	BRS £000	NNDR £000	Council Tax £000	Total £000
Income								
Council Tax Receivable	0	0	(191,943)	(191,943)	0	0	(180,322)	(180,322)
Council Tax Discounts Funded from Billing Authority General	0	0	(134)	(134)	0	0	(246)	(246)
Business Rates Receivable	0	(78,205)	0	(78,205)	0	(70,155)	0	(70,155)
Business Rates Supplement	(1,580)	0	0	(1,580)	(1,645)	0	0	(1,645)
Transitional Protection Payments	0	(439)	0	(439)	0	(2,497)	0	(2,497)
	(1,580)	(78,644)	(192,077)	(272,301)	(1,645)	(72,652)	(180,568)	(254,865)
Expenditure								
Precepts, Demands and Shares								
Central Government	0	26,047	0	26,047	0	22,792	0	22,792
Greater London Authority	0	29,205	40,500	69,705	0	25,554	38,596	64,150
Billing Authority	0	23,679	141,852	165,531	0	20,720	133,941	154,661
	0	78,931	182,352	261,283	0	69,066	172,537	241,603
Apportionment of PY Surplus / (Deficit)								
Central Government	0	1,965	0	1,965	0	2,335	0	2,335
Greater London Authority	0	2,203	710	2,913	0	2,618	726	3,344
Billing Authority	0	1,786	2,465	4,251	0	2,123	2,607	4,730
	0	5,954	3,175	9,129	0	7,076	3,333	10,409
BRS - Payment to Levying Authorities	1,329	0	0	1,329	1,410	0	0	1,410
Charges to Collection Fund								
Increase / (Decrease) in Impairment	244	2,333	7,781	10,358	229	4,276	4,250	8,755
Increase / (Decrease) in Provision for Appeals	0	2,190	0	2,190	0	(6,421)	0	(6,421)
Cost of Collection	6	301	0	307	6	298	0	304
	250	4,824	7,781	12,855	235	(1,847)	4,250	2,638
(Surplus) / Deficit arising during the year	0	11,065	1,231	12,296	0	1,643	(448)	1,195
(Surplus) / Deficit arising at start of year	0	(7,721)	(4,000)	(11,721)	0	(9,364)	(3,552)	(12,916)
(Surplus) / Deficit arising at end of year	0	3,344	(2,769)	575	0	(7,721)	(4,000)	(11,721)

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%, MHCLG 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 2024/25); and
- (ii) The standard multiplier was 55.5 pence (54.6 pence in 2024/25).

The total business rateable value for the Council at 31 March 2026 was £214.425 million (£214.502 million in 2024/25) of which £92.150 million (£90.885 million in 2024/25) related to small businesses.

2. Council Tax

In 2025/26 the tax base for Haringey was 82,589 properties (81,875 in 2024/25) which was used to calculate the Band D Council Tax of £2,207.94 (£2,107.32 in 2024/25), 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.	
			2025/26	2024/25		2025/26	2024/25
A	up to	40,000	4,374	4,578	0.67	2,916	3,052
B	40,001	52,000	12,253	12,025	0.78	9,530	9,353
C	52,001	68,000	26,351	25,672	0.89	23,422	22,819
D	68,001	88,000	22,361	21,738	1.00	22,361	21,738
E	88,001	120,000	9,672	9,368	1.22	11,821	11,450
F	120,001	160,000	4,930	4,863	1.44	7,121	7,024
G	160,001	320,000	4,567	4,512	1.67	7,613	7,521
H	320,001	and above	735	725	2.00	1,471	1,451
			85,244	83,482		86,255	84,408
Collection rate after allowance for non-collection						95.8%	97.0%
Council Tax base used to calculate Band D						82,589	81,875

PENSION FUND

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

[TO BE INSERTED AT END OF AUDIT]

PENSION FUND

2025/26	Pension Fund Account	Note	2024/25	£000		£000
£000			£000			
	Dealings with members, employers and others directly involved in the fund			220	Long Term Investments	13 150
62,756	Contributions	7	62,276	2,101,596	Investment assets	13 1,944,728
10,825	Transfers in from other pension funds	8	15,796	-	Investment liabilities	13 -
78,581			78,072	2,101,816	Total net investments	1,944,878
(74,522)	Benefits	9	(73,669)	2,285	Current assets	19 2,453
(9,931)	Payments to and on account of leavers	10	(10,545)	(4,635)	Current liabilities	20 (7,218)
(84,453)			(84,214)			
	Net additions/(withdrawals) from dealings with members		(6,142)	2,099,466	Net assets of the fund available to fund benefits at the end of the reporting period	1,940,113
(7,365)	Management expenses	11	(7,114)			
	Net withdrawals including fund management expenses		(13,256)			
	Returns on Investments:					
31,511	Investment Income	12	31,487			
-	Taxes on income		-			
138,080	Profit and losses on disposal of investments and changes in market value of investments	13a	50,823			
172,591	Net return on investments		82,310			
159,354	Net increase/decrease in the net assets available for benefits during the year		69,054			
1,940,113	Opening net assets of the scheme		1,871,059			
2,099,466	Closing net assets of the scheme		1,940,113			
2025/26	Net Assets Statement	Note	2024/25			

PENSION FUND

Notes to the Haringey Pension Fund Accounts for the year ended 31st March 2026

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 2026	31 March 2025
Number of employers	61	63
Number of employees		
Haringey Council	5,534	5,463
Other employers	1,129	1,100
Total	6,663	6,563
Number of pensioners		
Haringey Council	8,529	8,194
Other employers	1,111	1,034
Total	9,640	9,228
Deferred pensioners		
Haringey Council	8,843	8,806
Other employers	1,859	1,774
Total	10,702	10,580
Total number of members in pension scheme	27,005	26,371

PENSION FUND

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 ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employers' contributions are set based on triennial actuarial funding valuations. The valuation for the period to 31 March 2028 was carried out as at 31 March 2025. The primary employer contribution rate for the whole fund was 17.3%.

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 2025/2026 financial year and its financial position at 31 March 2026. 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.

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

PENSION FUND

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
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	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.

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

PENSION FUND

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 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

PENSION FUND

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,	For instance: a 0.1% decrease in the discount rate would increase future

Items	Uncertainties	Effect if actual results differ from assumptions
	mortality rates and returns on fund assets.	pension liabilities by c. £23m (2%)
	A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	- 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.	Private equity investments are valued at £118m 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.
	For the purposes of estimation, private equity investments include infrastructure and private debt.	

6. Events after the reporting date

No significant events occurred after the reporting date.

7. Contributions receivable

PENSION FUND

2025/26		2024/25
£000	By category	£000
15,240	Employee contributions	14,122
	Employer contributions	
51,642	- Normal contributions	47,370
0	- Deficit recovery contributions	-
874	- Augmentation contributions	784
52,516	Total employers' contributions	48,154
67,756	Total contributions receivable	62,276

2025/26		2024/25
£000	By type of employer	£000
60,098	Administering authority	55,508
7,438	Scheduled bodies	6,048
220	Admitted bodies	720
67,756	Total contributions receivable	62,276

8. Transfers in from other pension funds

During 2025/26, there were transfers of £10.8 million into the Pension Fund, a decrease compared to £15.8 million in 2024/25. These transfers all related to individuals.

Benefits payable

2025/26		2024/25
£000	By category	£000
60,266	Pensions	57,375
12,971	Commutation and lump sum retirement benefits	14,951

1,285	Lump sum death benefits	1,343
74,522	Total benefits payable	73,669

9. Benefits payable (continued)

2025/26		2024/25
£000	By type of employer	£000
73,444	Administering authority	65,433
171	Scheduled bodies	5,653
907	Admitted bodies	2,583
74,522	Total benefits payable	73,669

10. Payments to and on account of leavers

2025/26		2024/25
£000		£000
256	Refunds to members leaving service	182
9,675	Individual transfers	10,363
9,931	Total	10,545

11. Management Expenses

2025/26		2024/25
£000		£000
1,453	Administrative costs	1,337

PENSION FUND

5,222	Investment management expenses	5,410
690	Oversight and governance costs	367
7,365	Total management expenses	7,114

PENSION FUND

11a. Investment Management Expenses

2025/26		2024/25
£000		£000
4,892	Management Fees	4,959
-	Performance Related Fees	-
51	Custody fees	69
279	Transaction Fees	382
5,222	Total	5,410

12. Investment income

2025/26		2024/25
£000		£000
33,867	Pooled investments - unit trusts and other managed funds	31,121
644	Interest on cash deposits	366
34,511	Total	31,487

13. Investments

Market Value 31 March 2026		Market Value 31 March 2025
£000	Investment assets	£000
	Pooled funds	
862,501	Global equity	834,154
550,030	Fixed income unit trusts	456,998
64,945	Multi-asset absolute return fund	146,239
75,051	Infrastructure funds	70,958

1,552,527

1,508,349

Other investments

285,752	Pooled property investments	209,683
119,777	Private equity funds	137,035
31,869	Infrastructure debt funds	31,999
437,398		378,717
120,058	Cash deposits	57,437
875	Accrued Income	225
2,110,859	Total investment assets	1,944,728

Long-term investments

220	UK unquoted equities	
	Shares in London CIV	150

Investment liabilities

	Payables for purchases	-
2,111,079	Total net investment assets	1,944,878

13a. Reconciliation of movements in investments and derivatives

2025/26	Market Value 1 April 2025	Purchases at cost	Sales proceeds	Change in market value	Market Value 31 March 2026
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,887,066	95,605	(133,463)	147,729	1,996,936
	1,887,066	95,605	(133,463)	147,729	1,996,936
Other Investment balances					
Cash deposits	57,438	222,734	(76,219)	(9,648)	120,058

PENSION FUND

Other Investments asset/liabilities	225	690	(39)	875	25,205	1.2	London Fund	22,047	1.1	
Spot FX		1	(0)	0	135,564	6.4	LCIV Long Duration Buy and Maintain Credit Fund	137,700	7.1	
Total	1,944,729	319,028	(209,722)	138,080	2,117,870	1,554,114	73.6	1,506,228	77.4	
							Investments managed outside of London CIV asset pool:			
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						119,778	5.7	Pantheon	137,035	7.1
						117,044	5.5	CBRE Global Investors	106,571	5.5
						145,068	6.9	Aviva Investors	86,715	4.5
	1,841,119	81,465	(86,680)	51,162	1,887,066	31,869	1.5	Allianz Global Investors	31,999	1.6
	1,841,119	81,465	(86,680)	51,162	1,887,066	1,200	0.1	BlackRock	3,419	0.2
Other Investment balances						22,418	1.1	CIP	20,752	1.1
						119,674	5.7	In-house cash deposits*	52,009	2.6
Cash deposits	37,126			(339)	57,437	557,049	26.4		438,500	22.6
Other investment assets/liabilities	287			-	225	2,111,164	100.0	Total	1,944,728	100.0
Spot FX	(4,800)			-	-	*In-house cash excludes non-discretionary cash managed by external managers. Any such cash is allocated to the respective asset manager.				
Total	1,873,732			50,823	1,944,728	The following investments represent over 5% of net assets of the				

*In-house cash excludes non-discretionary cash managed by external managers. Any such cash is allocated to the respective asset manager.

The following investments represent over 5% of net assets of the fund.

13b. Investments analysed by fund manager

Market Value 31 March 2026				Market Value 31 March 2025		31 March 2026			31 March 2025	
£000		%		£000		%		£000		%
Investments managed by London CIV asset pool:										
1,086,579	51.5	Legal & General Investment Management	960,939	49.4		363,466	17.2	LGIM MSCI World Low Carbon Index Fund	364,905	18.8
64,945	3.1	LCIV Absolute Return	146,239	7.5		245,938	11.6	LGIM RAFI Multi Factor Climate Transition Fund	343,099	17.7
190,389	9.0	LCIV Multi-Asset Credit	192,515	9.9		4,804	0.2	LCIV Long Duration Buy and Maintain Credit Fund	192,512	9.9
51,433	2.4	LCIV Renewable Infrastructure	46,788	2.4		184,165	8.7	LCIV Multi-Asset Credit	146,239	7.5
						133,877	6.3	LCIV Absolute Return Fund (Ruffer LLP)	137,700	7.1

PENSION FUND

190,388	9.0	LGIM Index Linked Gilts (Over 5 year) Fund	126,786	6.5
135,564	6.4	LGIM Bespoke Low Carbon Emerging Markets Fund	126,149	6.5
1,258,201	59.7	Total	1,437,390	74.0

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
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	Not required	Not required

PENSION FUND

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Level 1			

financial instruments

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
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Unquoted fixed income bonds and unit trusts	Average broker prices	Evaluated price feeds	Not required
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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
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Shares in London CIV asset pool	Based on the historical cost at acquisition of shares	Not required	Not required
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Other unquoted and private equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by changed to expected cashflows or by differences between audited and unaudited accounts.
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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 2026.

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	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 2026	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	224,078	64,945	1,188,453	1,477,476
Pooled property investments	16,115		244,432	260,547
Private equity	51,433		200,468	251,901

Cash deposits	100,660			100,660
Accrued income	356		519	875
Payables for investment purchases				

Total	392,643	64,945	1,633,872	2,091,460
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Values as at 31 March 2025	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	1,437,390	32,000	70,958	1,540,348
Pooled property investments	-	100,922	108,761	209,683
Private equity	-	-	137,035	137,035
Cash deposits	57,437	-	-	57,437
Accrued income	225	-	-	225
Payables for investment purchases	-	-	-	-
Total	1,495,052	132,922	316,754	1,944,728

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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

2025/26	Value at 1st April 2025	Purchases in the year	Sales in the year	Unrealised gains (losses)	Realised gains (losses)	Value at 31st March 2026
	£000	£000	£000	£000	£000	£000
UK Property Funds	180,006	77,502	(15,062)	2,964	(459)	244,951
UK Venture Capital	59,538	1,978	(1,542)	49	845	60,868
UK Fixed Income Funds	330,212	0	(124)	(4,136)	0	325,952
Overseas Venture Capital	151,825	4,875	(19,612)	(9,123)	11,635	139,600
UK Equity Funds	834,154	0	(103,000)	85,211	46,137	862,501
Total	1,555,735	84,355	(139,340)	74,965	58,157	1,633,872

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15. Classification of financial instruments

	31 March 2026		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
Financial assets			
Pooled investments	1,584,396		
Pooled property investments	285,752		
Private equity	119,777		
Equities		220	
Cash	100,660	19,704	
Debtors		2,285	
Other investment balances		875	
Total financial assets	2,090,584	23,084	-
Financial liabilities			
Other investment balances			0
Creditors			(4,635)
Total financial liabilities	-	-	(4,635)
Grand total	2,090,584	23,084	(4,635)

	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	209,683		
Private equity	137,035		
Equities		150	
Cash	39,512	17,925	
Debtors		2,453	
Other investment balances		225	
Total financial assets	1,926,578	20,753	-
Financial liabilities			
Other investment balances			-
Creditors			(7,218)
Total financial liabilities	-	-	(7,218)
Grand total	1,926,578	20,753	(7,218)

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15a. Net gains and losses on financial instruments

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.

2025/26		2024/25
£000		£000
	Financial Assets	
147,730	Fair value through profit or loss	51,163
(9,649)	Financial assets and liabilities at amortised cost	(340)
<u>138,080</u>		<u>50,823</u>

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.

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.

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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 2026	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	967,359	12.0	1,083,442	851,276
Fixed Income	510,117	11.9	570,822	449,414
Property	286,327	6.3	304,366	268,288
Alternatives	226,697	16.5	264,102	189,292
Cash	120,359	0.0	120,359	120,359
Total Assets	2,110,859		2,343,091	1,878,630

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	209,793	6.3	223,010	196,576
Alternatives	239,992	16.5	279,506	197,147
Cash	57,549	0.0	57,549	57,549
Total Assets	1,944,728		2,161,706	1,713,730

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 2025/26	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	644	761	446
Total	644	761	446

	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

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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 2026	Value	% change	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	500,652	10.0	550,717	450,586
Fixed Income	190,389	10.0	209,427	171,350
Private equity	119,778	10.0	131,755	107,800
Infrastructure	23,618	10.0	25,980	21,256
Cash	39,485	10.0	43,434	35,537
Total Assets	873,921	10.0	961,314	786,529

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

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 2026 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 2026	Balances at 31 March 2025
		£000	£000
Money Market Funds			
Blackrock institutional sterling liquidity fund	AAA		7,925
Invesco liquidity fund	AAA	9,490	10,000
Aviva Liquidity Fund	AAA	10,000	
Bank current accounts			
Northern Trust	A+	100,660	39,513
Barclays Bank plc	A+	51	142
Total		120,201	57,580

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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 2025.

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 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 2025 actuarial valuation, the fund was assessed as 139% funded (113% at the March 2022 valuation). Contribution changes will be phased in over the three-year period ending 31 March 2027 for both scheme employers and admitted bodies.

The whole-fund primary contribution rate was due to decrease over a three-year period from 17.5% to 17.3% 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 2025 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

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were as follows.

Financial assumptions

Future assumed rates	31-Mar-25	31-Mar-22
	%	%
Discount rate (annual nominal return rate)	6.1	4.3
Pay increase (annual change)	3.3	3.7
Benefit increase (CPI)	2.3	2.7

Demographic assumptions

The assumed life expectancy from 65 is as follows:

Life expectancy from age 65		2025	2022
Retiring today	Males	21.6	21.7
	Females	24.4	24.4
Retiring in 20 years	Males	22.7	23.0
	Females	25.8	26.1

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.

31 Mar 26		31 Mar 25
£000		£000
(1,505,780)	Present Value of promised retirement benefits	(1,500,000)
1,933,375	Fair Value of scheme assets	1,940,113
427,595	Net (liability)/asset	440,113

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2025 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-26	31-Mar-25
	%	%
Pension increase rate (CPI)	3.0	2.8
Salary increase rate	4.0	3.8
Discount rate	6.2	5.8

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19. Current assets

31/03/2026		31/03/2025
£000		£000
108	Contributions due - employees	116
1,432	Contributions due - employers	1,283
694	Sundry debtors	912
2,234		2,311
51	Cash	142
2,285		2,453

20. Current liabilities

31/03/2026		31/03/2025
£000		£000
3,984	Sundry creditors	5,061
651	Benefits payable	2,157
4,635		7,218

21. Additional Voluntary Contributions ("AVCs")

	Contributions Paid	Market Value
	2025/26	31 March 2026
	£000	£000
Utmost life and pensions	-	87
Prudential assurance	686	2,161
Clerical and medical	2	25
	Contributions Paid	Market Value

2024/25
31 March 2025

	£000	£000
Utmost life and pensions	-	99
Prudential assurance	361	1,250
Clerical and medical	1	22

22. Related party transactions

Haringey Council

The Haringey Pension Fund is administered by Haringey Council. During the reporting period, the Council incurred costs of £1.051m (2024/25 £0.966m) 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 2026 an amount of £0.090m was due from the fund to the Council.

The Pension Fund is a minority shareholder in the London CIV (LCIV) Asset Pool, and shares valued at £0.220m as at 31 March 2026 are included in the net asset statement. Part of the portfolio of pension fund investments is managed by the LCIV, as detailed in Note 13.

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.

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23. Key management personnel

Key management personnel are the Section 151 Officer and the head of pensions. Their remuneration is set out below:

31/03/2026	Key Management Personnel	31/03/2025
£000		£000
127	Short - term benefits	101
30	Post-employment benefits	24
157		125

24. Contingent liabilities and contractual commitments

Outstanding capital commitments (investments) at 31 March 2026 were £76.4m (2024/25 £82.2m). These commitments relate to outstanding capital call payments due on limited partnership funds held within the private equity and infrastructure portion of the 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 2026.

Annual Governance Statement 2025/26

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 2026 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 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 with 2025/26 being the final year. A further Corporate Delivery Plan will be produced following the 2026 local elections and published in the Autumn. The Plan outlines our strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The Plan 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 continued to be in place for the financial year 2025/26. 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 January 2026 Ofsted conducted a Children's Services Inspection which rated the Local Authority outstanding.
- 2.11 On 19 August 2025 the Local Government Ombudsman issued a decision in relation to a complaint brought by Ms X in relation to a case dealt with by the Adult Social Care team. Ms X complained the Council did not act when she raised concerns about Mr Y's welfare. She also complained about the Council's handling of her complaint. Ms X said the Council's actions caused distress to Mr Y, his family and Ms X. The LGO found that the Council was at fault. The LGO made several recommendations to the Council and confirmed on 1 December 2025 that it was satisfied with the Council's response.
In November 2025 the Cabinet approved the Adult Social Care improvement plan which sets out the Council's three-year transformation plan for the service focusing on 10 priority areas during the first 12-18 months. Alongside this the Chief Executive chairs a cross-party Adult Improvement Board to oversee the improvement plan. The service has also strengthened the operational governance structures within Adult social care.
- 2.12 The Council continues to have a Housing Improvement Board and are on track to deliver against the improvement plan. On 17th December 2025 the regulator for social housing withdrew the regulatory notice confirming that Haringey had returned to compliance and the key issues underpinning the regulatory notice had been addressed.
- 2.13 The Council has 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, required 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 it is not sustainable and for every £1m of borrowing for EFS in 2025/26, this incurred £62,000 of borrowing costs. This is on top of the £10m required for 2024/25 to be able to balance the budget at the year end.
- 2.14 In addition, Cabinet received a budget report in March 2025 for the third quarter (April to December 2024) of 2024/25 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. Following the annual closure of accounts/ £10m was required and agreed.
- 2.15 Reliance on EFS is not sustainable. At the average cost of £62,000 for every £1m borrowed by Government, this places additional long term burdens on the residents of Haringey. Throughout 2025/26, spending and financial controls were in place and have been tightened through the year as in year forecasts were showing reliance on EFS could exceed the £37m agreed in principle. In February 2026, based on the 2025/26

financial forecast as at Period 7, the Council requested an increase in EFS to £54m for 2025/26 and this was subsequently approved in February 2026.

2.16 A Financial Response and Recovery Plan was agreed in April 2025. Oversight and delivery has been through the Finance Recovery Board, chaired by the Chief Executive and progress reported quarterly to Cabinet and Scrutiny. These measures include:

- Spend Control Panels for all non-essential expenditure over £1000;
- Recruitment Control Panel to provide check and challenge and approve or reject all permanent, temporary and agency recruitment;
- Improve purchasing compliance across the whole organisation within financial regulations, contract standing orders and purchasing compliance rules;
- Implementation of central gateway arrangements for capital projects, procurement and commissioning;
 - These are having an impact in reducing spending (estimated at £800,000 of rejections through the Spend Control Panel) but also shifting the culture in the organisation to one of good financial management is the responsibility of all. The final update on this Finance and Recovery Plan will be published as part of the outturn report to Cabinet on 14 July and has been replaced with the Financial Resilience Plan (see Section 2.21 below).

2.17 Although the key driver of the need for the EFS has been the demand for statutory services where costs have exceeded the available funding, it is recognised that the Council has struggled over recent years to deliver agreed savings. In 2025/26, £29.3m of savings across services and cross cutting initiatives were assumed to be delivered but only 62% were achieved, with many through other mitigations.

2.18 This issue and the Council's overall financial sustainability has now been the subject of a Statutory Recommendation from KPMG, the Council's appointed external auditor. The Council's full response will be presented to full Council on 20 July 2026 and actions have already been taken by the corporate leadership team to set in motion enhanced governance to ensure that agreed savings both from prior years and new for 2026/27 are delivered as planned.

2.19 Across the next five years, the financial position is even more challenging. In 2026/27, a balanced budget was only possible with the use of £84m of EFS. We recognise this is not sustainable and reliance on EFS continues to show an upward trajectory. The last update on the five year position was presented to Council in March 2026 and showed a cumulative deficit of £239m between 2027/28 and 2030/31 if nothing changes.

2.20 There are a number of emerging risks that are not yet factored into the MTFS position for the next five year period. These include:

- The North London Waste Authority levy – a project currently underway to replace the incinerator is likely to lead to a significant increase in the level paid by the authority from 2030/31; and
- The future level of Government funding when the current 3 year settlement expires in 2028/29.

2.21 The 2025 Fair Funding Review and three-year local government financial situation provided welcome additional grant funding from government, allowing the Council to increase its core spending power. This equates to only £25.3m over the next three years in Government grant. With growing demand and price pressures, the additional resources have made only a small dent into the scale of the challenge we face. The Council will continue to lobby and work with Government to consider the role of Local Government and the statutory services it provides but also less punitive EFS measures to support Haringey in reaching a more sustainable future.

2.22 The Council must take all the necessary action to reduce spending or increase income it remains in control of. Historically the Council has undertaken an annual budget setting cycle but with a three year Government finance settlement now in place, a medium term approach must be considered and the Council has developed its three year Financial Resilience Plan which recognises that the problem is intractable in a single year, and also that the traditional savings approaches that the Council have adopted, whilst delivering some significant efficiencies, cost reductions and new income, have not had the impact that we would have desired.

2.23 The Financial Resilience Plan will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbours and limiting the year on year increase in cash limits.

2.24 Spending controls already in place will continue and we will introduce a clear Section 151 Officer approval process for any department to spend beyond its cash limits, to ensure that there is a clear and agreed funding strategy before expenditure is committed and ensure that there are clear consequences for any budget holder or manager who is found to be breaching or circumnavigating any of these measures. A full update on the plan and associated delivery plans will be published as part of the Medium Term Financial Strategy to Cabinet in November 2026.

2.25 KPMG are our external auditors and as such, are required to provide an assessment of the Council's arrangements to secure value for money (VfM). In their 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 and manage our risks; and

- **Improving economy, efficiency and effectiveness:** How we use information about our costs and performance to improve the way we manage and deliver our services.

- 2.26 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 2026, for the 2024/25 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. Areas of concern include – Council's financial sustainability, management of commercial property, procurement arrangements and adult social care. The Council has agreed the recommendations and set ambitious targets to implement their recommendations. Their VFM risk assessment for 2025/26 will be presented to Audit Committee on 23 July 2026 and the full report published in February 2027.
- 2.27 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.
- 2.28 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.
- 2.29 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 expected to be completed by March 2027.

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 and again in May 2026 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 2026/27 once legislation comes forward on the 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. For 2025/26, this process has been strengthened and all senior managers will be required to review annually. 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. Regular training is provided as well. 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.	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
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 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. In 2026, all services will be required to complete a Complaints Improvement Plan. 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, including the centralisation of all contracts over £25,000 has been embedded in 2025/26. A	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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. 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:	of completed

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 202526. 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	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 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.	Project Pathway was implemented in 2025/26 and is currently being rolled out but is not yet fully utilised by all services and fully embedded so this work will continue and complete in 2026/27. 2025/26 was the final year of the current CDP and plans are in place to develop the new CDP with the new administration for

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 Previously the Council used Monday.com” as a tool for tracking progress and progress is captured and reported on a quarterly basis with dynamic links and Dashboards so progress can be actively monitored. This has now been replaced with Project Pathway. 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. The Council has a robust performance management approach reviewing our approach to monitoring whereby we have established a single performance framework. f) Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required and covers key performance indicators, capital delivery, savings programme delivery and transformation programme delivery as part of the Council's corporate planning, financial planning and capital programme frameworks. 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. In addition to the local arrangements that are in place to monitor the delivery of the Corporate Delivery Plan, new arrangements have been introduced by central 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	publication in the Autumn, reflecting updated priorities, actions and performance measures, including the Local Outcomes Framework..

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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> g) 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 h) Resident engagement also occurs in formal consultation and engagement processes during 2025/26 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. i) 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	
<u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u>	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
a) The Borough Vision and 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. 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. In 2024, an updated plan was published on the website and recently refreshed to reflect the manifesto priorities of the administration at that time: Ambitious new vision for Haringey Haringey Council The Council Plan is now subject to review to reflect the priorities of the administration following the local elections in May 2026. 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?Cld=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. 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. The most recent MTFS was agreed by full Council in March 2026 Annex 1 -10 February 26 Cabinet 2026.27Budget and	The Council's financial position has deteriorated over the last 12months. Increased demand pressures in social care and temporary accommodation means that closing the accounts in 2024/25 required £10m of Exceptional Financial

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
2026.31MTFFS ver2.0 10022026 Cabinet.pdf and Annex 2. Summary of General Fund Revenue 2026.27 Budget and Medium Term Financial Plan 2030.2031.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) 2025/26 was the final year of the current CDP and the final closure report was presented to Cabinet in March 2026 CDP March 2026 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: 025.26Budget and 2025.30MTFFS ver1.0.pdf During 2025/26, the Council introduced a new framework for developing and managing the Capital Programme and developed its Capital Strategy to one of best practice. Full details are here Capital Strategy and was adopted by Council in March 2026.	Support (EFS) and £37m was agreed in principle for 2025/26 to enable a balanced budget to be set in March 2025. A response and recovery plan was agreed in April 2025 to reduce spending and the reliance on EFS and improve the culture across the organisation of good financial management being everyone's responsibility. The plan covers all aspects of improvement needed across financial planning, monitoring, reporting and compliance and is based on recommendations from internal and external audit, financial resilience exercise and the compliance with the Financial Management Code. Progress has been reported quarterly to Cabinet and Overview and Scrutiny Committee and the final update report will be to Cabinet on 14 July Agenda for Cabinet on Tuesday, 14th July, 2026, 6.30 pm Haringey Council
<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.	This plan has now been replaced with the Financial Resilience Plan The Financial Resilience Plan will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbours and limiting the year on year increase in cash limits. Full details will be published as part of our next Medium Term Financial Strategy in Autumn and this will include clear delivery plans to improve the financial position. Spending controls that were introduced in 2025/26 will continue into 2026/27.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 the general scheme of	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.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 following the local elections in May 2026. 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, along with a complete refresh of mandatory training, which is required to be completed by all employees. This includes a specific module of financial management	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. The protocol will be refreshed during 2026/27.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 and is reviewed annually. Updates on risk management are presented to Audit Committee each quarter and from 2026/27 will be included in the quarterly reports to Cabinet. A project to strengthen risk management and embed the strategy commenced and has started to be embedded in 2025/26 and will continue into 2026/27. 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 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 but in 2026/27 a priority needs to be for all services to be utilising. https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=730&MId=9449&Ver=4	Continue to embed risk management principles. Over the year, Zurich Municipal have supported arrangements for embed risk management by running corporate and directorate risk workshops and with advice on managing appropriate risk registers. Embed technology to support the framework and process in 2026/27.

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 2026 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, chaired by the Corporate Director of Finance and Resources 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 d) Extensive work took place in 2025/26 to review policies and procedures, and the updated Business Continuity Plan presented to Cabinet on 16 September 2025 Business Continuity Policy report.pdf. These take account for changes in guidance and requirements (including recommendations from the Grenfell enquiry) as well as any lessons learnt from local and regional incidents. Service specific workshops have been undertaken and further planned to work through scenario planning of emergency situations to ensure plans in place are robust in practice. These workshops will continue in 2026/27. The Corporate Director and Head of Emergency Planning attends the NCL Emergency Planning Group to share experience and learn from others to consider as part of our own arrangements. <u>Managing performance</u>	The nature of Business Continuity means that Business Continuity arrangements will be under regular review and this will continue into 2026/27 and any changes reported to the Council's Audit Committee for scrutiny.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
e) 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 f) 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 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> g) 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. Each Departmental Management Team (DMT) considers finance and budgets at least every quarter and monthly for high risk budgets. Transformation and delivery of outcomes are aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website. h) 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 which is reviewed by the Corporate Leadership Team and the Cabinet receives quarterly budget management information. i) 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	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
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 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. Browse meetings - Audit Committee Haringey Council j) 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. k) 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 2024/25 financial year and presented to Audit Committee on in January 2026. l) 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. 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 m) 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)	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<u>Managing data</u> n) 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> o) We produce an annual report to accompany its statement of accounts; for 2024/25, 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. 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 p) 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 2025/26 there was a formal follow up presented to Audit Committee to communicate the progress with the action plans. Significant issues reported are being addressed but most will remain in 2025/26 and possible 2026/27. q) 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 12th March 2026 and	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
papers can be found here: Corporate Delivery Plan Performance Update-Quarter 3 Cabinet 10_03_26Final.pdf <u>Assurance and effective accountability</u> r) 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 Audit Committee on a quarterly basis. All outstanding recommendations were reported to each meeting; a focus is maintained on ensuring all high priority recommendations are implemented. All outstanding recommendation continue to be monitored. s) 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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3. Significant governance issues

- 3.1 Following our review of governance in 2024/25, we identified some key areas where work would be undertaken in 2025/26 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 2026, this is set out below. All of these issues continue and will continue to be reported and monitored in 2026/27.

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
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). Corporate Director of Finance and Resources (s151) March 2026	The Council's Financial Recovery Plan has been in place since April 2025) based on the Council's current financial position, recommendations from the CIPFA resilience review and work by an external consultant in Autumn 2024. The focus of the plan was to eliminate the Council's reliance on EFS for 2026/27 onwards and move towards financial sustainability in the short to medium term. Progress has been reported quarterly to Cabinet and Overview and Scrutiny Committee and latest update will be to Cabinet on 14 July Appendix 10 - Finance Response and Recovery Plan.pdf Given the deteriorating financial position and the reliance on £84m of EFS in 2026/27, this plan is now subject to review with a focus on reducing reliance on EFS and improving financial resilience over the next three years and this will be presented in full as part of the next MTFS published in the Autumn (see further details below). Specific actions in 2025/26 included: - Continuing with the emergency governance and oversight arrangements that are established within the organisation, through the Finance Recovery Board and Cabinet Recovery Board; - Further strengthening the spend control mechanisms that are already in place across the organisation in order to further drive a consistent commitment to value for money, namely: ➤ Spend control panel (and continue to review thresholds) ➤ Recruitment Panel - agency and permanent recruitment restrictions on non-essential roles. ➤ Single point of governance for all of the capital programme (Strategic Capital Board) ➤ Single point of governance for all commissioning and procurements over £160,000 (Commissioning Panel and Board) ➤ All reports which involved spending over £25,000 to be reviewed by the Section 151 Officer. - A strong focus has been on delivering the £30m of savings already contained within the 2025/26 budget but this is still an area for improvement with the end of year position showing

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Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	only 62% has been delivered at the year end and many through mitigations rather than the original changes planned. Improvements have already been made in estimating current and future service pressures with much greater use of non-financial trend data, scenario planning and estimates for risks and uncertainties. There has resulted in some improvement in forecasting but with forecasting variations month on month being less volatile but this good practice is not consistent across all services. In 2026/27 corporate contingency was increased to £25m to recognise the uncertainty in demand led services. A significant proportion of the audit plan for 2025/26 has been focused on this corporate risk area and outcomes will be shared with Audit Committee as part of the routine cycle of reporting. In January 2026 KPMG presented their Annual Report to the Audit Committee and Value for Money Report and the Council has since received a Statutory Recommendation which the Council will respond to at Full Council on 20 July and ongoing reporting to Audit Committee. Both the VFM report and the Statutory Recommendation contains recommendations relating to financial sustainability and the VFM report on procurement, commercial property and adult social care. These have been accepted by management and full responses on progress are highlighted in the next section.
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 Finance and Resources (s151) March 2026	Good progress continues on the SAMPIP, as highlighted by four of the ten original objectives of the SAMPIP being closed out and delivered, and the remaining six being progressed against the action plan. Our next key milestone is June 2026 for the next annual report to Cabinet on the SAMPIP and operational asset reviews being completed. Income from the commercial portfolio is over £1m higher than the same period last year with full delivery of the improvement plan remaining a priority for the Directorate and will continue through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025. The Council's disposal policy, taken to cabinet in June 2025 and associated list, identified sites that were surplus to the Council's requirements, following their assessment through the council property review process, which is contained within the SAMPIP. These robust processes highlight a continued improvement in the management of our strategic and operational properties. Progress against this disposal list is managed through the Council's Disposal Board. An internal audit review was carried out in year and arrangements were given 'adequate' assurance.

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Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
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 Adults, Housing and Health March 2026	There has been good progress against the action plan developed in response to the mock inspection with monitoring by the Housing Improvement Board continuing to date to ensure oversight. HQN have since been commissioned to carry out an assessment of the actions within the plan against their recommendations from the mock inspection and the evidence against completed actions to provide assurance. Their findings following their assessment in October 2025 have indicated that we have a robust framework in place to identify, implement and monitor actions to meet the HQN recommendations and that significant, positive progress has been made in delivering the improvements identified by HQN. Since June 2025, 83% of the 213 actions included within the Housing Improvement Programme are now complete showing steady progress. Our improvement progress and performance across Housing Services continues to be regularly overseen by a variety of boards and panels, such as the Housing, Planning and Development Scrutiny Panel, the Housing Improvement Board, internal Housing governance boards, and our Resident Voice Board. The Council has continued to provide externally assured updates on compliance, where the Council's latest Housing Annual Compliance Statement was presented to Cabinet on 11 November 2025 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 for March 2025 data. This continues 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 continues to show consistently good performance against the 'big six' health and safety indicators. Work to deliver the Building Safety Strategy 2024-28 continues and a review of the Strategy is to commence in 2026 in line with our strategy review commitments. Our Building Safety Managers are allocated specific buildings for them to ensure safe standards are maintained and we are also continuing to collate and submit safety cases for each high-rise building upon request by the Building Safety Regulator. In addition, the Building Safety Managers are a key point of contact for our residents, and they work to ensure our residents understand how they can be involved in decision making about the safety of their homes. This is a vital part of how we engage with our residents as set out in our Building Specific Resident Engagement Strategies. To enhance resident information regarding safety and in line with Regulatory requirements we are installing Building Safety Specific

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Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	notice boards in high-rise buildings which will provide key information, updates, and advice for residents. We are also developing a permit to work system for the buildings to ensure that on-going repairs and maintenance activities do not undermine or deteriorate the fire and structural safety systems within the buildings. The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the revised Contract Award report approved in October 2025, subject to Section 20 consultation, which was completed in December 2025 with final approval in January 2026. This is following original approval by Cabinet in June 2025. Following mobilisation, go live is expected in April 2026. 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. Following our self-referral to the Regulator and delivering against the Housing Improvement Programme and the Housing Inspection Action Plan, Housing Services is in a much-improved position and is able to provide assurance to Council tenants and leaseholders. Due to the sustained improvement, the Council recently requested the removal of the Regulatory Notice. The Regulator of Social Housing has since confirmed they have lifted the Regulatory Notice as of 17 December 2025 recognising the improvements that have been delivered and the requirements that have been met. On this basis there is no longer a significant governance issue and performance, and compliance will continue to be monitored through the corporate risk register and existing governance structures as outlined in this update.
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. Corporate Director Culture Strategy Communications March 2026	Performance continues to be discussed and monitored at the Cross Council Information Governance Board the role of which was strengthened in 2025/26. Performance reports are presented to the Corporate Leadership Team quarterly. Any feedback from the Ombudsman is also discussed with Senior Management and actions tracked. The ICO did a return visit in June to review action plan implementation and they were satisfied with progress and have closed the audit. Phase 2 implementation of the new system (Infreemation) for managing information rights requests went live on 1 December 2025 and services now have direct access to case manage their assigned requests. The feedback from the services has been generally very positive. The focus for Q4 will be on improving reporting from the system.

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Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
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 Culture Strategy Communications March 2026	Workforce Strategy Action Plan is in delivery. A small number of Directorate Workforce Action Plans have been completed. Work on this has now been paused to allow Directors to focus on the immediate financial crisis. Human Resources are delivering sessions to Heads of Service on people management, restructures and making financial savings in order to support the immediate drive to reduce spending. Focussed work is taking place with Directorate Management Teams on key HR areas such as managing and reducing the cost of sickness, performance management and accuracy of establishment data. Mandatory and Leadership training has now been insourced and feedback is positive. Agency spend has decreased substantially and there has been an increase in the permanent workforce. Regular updates are presented to the General Purposes Committee. There has been considerable focus on reducing agency spend. There is a process for Statutory Officers to consider approving market supplements in areas where this is necessary, affordable and appropriate in the context of the wider workforce.
The Council has recognised weaknesses with regards procurement and contract management arrangements. Corporate Director of Finance and Resources (s151) March 2026	The Council has strengthened its procurement and commissioning framework to ensure compliance, mitigate fraud risk, and deliver value for money. A revised operating model and staffing structure now require all contract re-tenders above £25k to be managed by the Strategic Procurement Team. Compliance and Governance • Contract Standing Orders have been updated to align with the Procurement Act 2023 and enhance oversight of procurement and contract management. Full Council approved these changes. • Governance improvements include: ➤ Spend Control Panel for all expenditure above £1,000. ➤ Transition from the Procurement Board to a Commissioning Board, responsible for: ▪ Monitoring commissioning modernisation programme implementation. ▪ Reviewing procurements over £500k.

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Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	▪ Escalating issues from commissioning panel and procurement. ▪ Ensuring compliance across commissioning, procurement, and contract management. ➤ Introduction of a Commissioning Panel to review procurements above £160k (to be extended to £25k+), ensuring alignment with commissioning and procurement strategies and essential needs. ➤ Commissioning Modernisation Programme Endorsed by the Corporate Leadership Team, the programme comprises two workstreams: ➤ Contract Reviews – Led by the Chief Procurement Officer, focusing on targeted reviews and refreshed category strategies to deliver £9m savings over three years. ➤ Commissioning & Practice – Led by the AD Commissioning & Programmes, embedding best practice through five sub-workstreams: ▪ Digital and data analytics. ▪ Commissioning framework, policies, and tools. ▪ Procurement pipeline review. ▪ Contract management and quality assurance toolkit. ▪ Service redesign based on needs analysis. A comprehensive training programme supports these initiatives. Technology and Risk The Council remains compliant with the Procurement Act 2023. However, notification processes remain manual pending implementation of a new e-procurement solution via the ERP programme. Delays in technology rollout may temporarily impact some controls. Regular updates on procurement risk and control are provided to Audit Committee, reflecting historic limited assurance findings. Work continues on new category strategies, revised procurement procedures, and an updated contract management toolkit aligned with government best practice. Internal Audit Audit work re contracts and procurement has been included in the 2025/26 audit plan and outcomes will be reported to members via the routine reporting cycle.

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- 3.2 We have identified the following significant governance issues during 2025/26 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 improve our financial sustainability by reducing our reliance on Exceptional Financial Support and identifying and delivering savings to balance our budgets.	Across the next five years, the financial position is even more challenging. In 2026/27, a balanced budget was only possible with the use of £84m of EFS. This is not sustainable and reliance on EFS continues to show an upward trajectory. The last update on the five year position was presented to Council in March 2026 and showed a cumulative deficit of £239m between 2027/28 and 2030/31 if nothing changes. The Council is taking all the necessary action to reduce spending or increase income it remains in control of. Historically the Council has undertaken an annual budget setting cycle but with a three year Government finance settlement now in place, a medium term approach is in place and the Council has developed its three year Financial Resilience Plan which recognises that the problem is intractable in a single year. The Financial Resilience Plan (which replaces the Financial Response and Recovery Plan) will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbours and limiting the year on year increase in cash limits. Spending controls already in place will continue and we will introduce a clear Section 151 Officer approval process for any department to spend beyond its cash limits, to ensure that there is a clear and agreed funding strategy before expenditure is committed and ensure that there are clear consequences for any budget holder or manager who is found to be breaching or circumnavigating any of these measures, through utilising appropriate HR processes. A full update on the Financial Sustainability and associated delivery plans will be published as part of the Medium Term Financial Strategy to Cabinet in November 2026.	Corporate Director of Finance and Resources (s151)	March 2027

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Issue	Action	Responsibility	Due date
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.	Delivery of the actions within the SAMPIP will continue in 2026/27 and our next key milestone is June 2026 for the next annual report to Cabinet on the SAMPIP. A review of all operational assets is underway with an aim of reviewing service need and consolidating services to reduce surplus space and where assets are retained to maximise use and commercial benefits. The outcome of this review will be reported later in the year. Income from the commercial portfolio is over £1m higher than the same period last year with full delivery of the improvement plan remaining a priority for the Directorate and will continue through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025.	Corporate Director of Finance and Resources (s151)	March 2027
We need to continue our work on the Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including repairs and maintenance, voids management 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.	The Housing Improvement Programme is currently at 92% completion, with progress continuing to be overseen by our framework of internal boards and our cross-party member-led Housing Improvement Board. In addition, these boards also oversee progress against our Housing Inspection Improvement Plan, which was introduced following our mock inspection in October 2024 with recommendations made by HQN. We are currently undergoing inspection by the Regulator of Social Housing as part of their new cyclical regulation programme introduced in April 2024. We anticipate that we will move into a Phase 2 of improvement based on the outcomes of the Regulator's assessment against the Consumer Standards which will likely be in Q3 of 25/26. The Housing Service has launched a comprehensive review of the end-to-end voids process, establishing a new strategic voids working group in February 2026 to oversee this. Whilst they oversee this review, actions have already been identified and implemented to improve our approach to voids.	Corporate Director Adults, Housing and Health	March 2027

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Issue	Action	Responsibility	Due date
	Our Building Safety Strategy 2024-28 was approved by Cabinet in July 2024 and details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. This 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 11 November 2025 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 for March 2025 data. 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 and we anticipate that we will continue to maintain and build on this position. The procurement of four new Partnering Contracts to deliver £570m work over 10 years has been completed following original approval by Cabinet in June 2025. This will increase our capacity to deliver the required investment in our homes from August 2026, and is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023. This will also help support the condition of our stock and alleviate pressures on repairs, voids, and building safety long-term. The service has exceeded the target of 987 homes to be made decent by 31 March 2026, where 1,006 homes have been made decent for 2025/26. This has meant the percentage of homes meeting the decent homes standard has increased to 84% from 78.4% in 2023/24.		

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Issue	Action	Responsibility	Due date
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.	Performance continues to be discussed and monitored at the Cross Council Information Governance Board the role of which was strengthened in 2025/26. Performance reports are presented to the Corporate Leadership Team quarterly. Any feedback from the Ombudsman is also discussed with Senior Management and actions tracked.	Corporate Director Culture Strategy Communications	March 2027
The Council has recognised weaknesses with regards to commissioning and procurement and contract management arrangements.	Good progress has been made through the Commissioning Modernisation Programme as highlighted above but this is a three year programme to 2028/29. In 2026/27, the planned improvements to workforce, skills and development will be in place and the roll out of a corporate contract management framework. The compliance activity of the programme to review all contracts, finalise the complete contracts register and reduce the number of exceptions needed to CSOs will continue.	Corporate Director of Finance and Resources (s151)	March 2027
Though the Care Quality Commission (CQC) praised aspects of our Adult Social Care provision, their review identified delays in our assessment process and accessibility and communications barriers. Our internal audits also highlighted weaknesses in our arrangements for carrying out financial assessments and collection of client contributions.	From a financial assessment and client contribution perspective, a robust improvement plan is in place to address the weaknesses identified through internal audit and to respond to the wider CQC findings around assessment delays, accessibility and communication. Significant progress has already been made in reducing the backlog of outstanding financial assessments, with a clear plan in place to reduce the remaining outstanding assessments by summer 2026. Additional capacity has been secured for the Financial Assessment Team, with a number of new posts already appointed to, and further roles being introduced to ensure assessments are processed in the most effective and timely way. An end-to-end review of the financial assessment and client contribution process has been completed, covering the full resident journey from first contact with Adult Social Care through to financial assessment, billing, collection and debt recovery. A Standard Operating Procedure has now been agreed across the process, supported by mandated awareness-	Corporate Director Adults, Housing and Health	March 2027

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Issue	Action	Responsibility	Due date
	raising sessions for Adult Social Care staff to improve consistency, understanding and compliance. Work is also progressing to improve the accessibility and clarity of information provided to residents, families and carers. This includes a review of printed and digital information to ensure that people understand the financial assessment process, their contribution responsibilities, and the support available to them. In addition, the DASS is chairing a task and finish group to co-produce key letters and communications with statutory partners and residents, ensuring information is clearer, more accessible and better aligned with the needs of people using services. Governance arrangements are in place to oversee delivery of the improvement plan, monitor progress against the backlog reduction trajectory, and ensure that changes to process, capacity, communication and debt recovery are embedded.		

4. Review of effectiveness

- 4.1 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.
- 4.2 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 2025/26. Their comments on the key governance issues are as follows:

Corporate Director of Finance and Resources:

- 4.3 The financial year 2025/26 has been a particularly challenging one for Haringey in terms of putting in place arrangements to address its financial position. Reliance on EFS of £37m to balance the budget in March 2025 was a clear signal of the Council's deteriorating financial position and at the end of year, £40.6m will be required. 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

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Government is not sufficient to manage the increasing demand and although the Council will see an increase in Government grants of £25.3m over the next three years from the Fairer Funding and the multi year settlement provides some certainty over the next three years, the level remains insufficient given the demand and price pressures that are continuing year on year.

- 4.4 In the past any gap in delivery of savings or other unplanned overspend has been met with an unplanned drawdown from Council reserves but as reported in the last couple of budget reports to Full Council, it was emphasised that reserves 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 and triggered the need for EFS.
- 4.5 The 2025/26 budget included £56.8m of additional budget for services and £26.2m for corporate pressures, including interest costs. However, this was not sufficient, leading to a £15.5m overspend on service budgets. The budget included £29.3m of approved savings but only 62% were delivered and many of these through mitigations, despite a strong focus in the year on savings delivery. This non delivery is not sustainable and all services must deliver new and previously approved savings in full in 2026/27 and this will continue to be monitored through Finance Recovery Board, which now includes independent external experts for check and challenge and to hold senior leaders to account.
- 4.6 An emergency response to the financial position was put in place from April 2025 and the Finance Recovery Board (chaired by the Chief Executive) has been overseeing the Finance Response and Recovery Plan with a focus on reducing non-essential spending, improving delivery of savings and improving all aspects of financial management and governance across the Council. There has been some success in the delivery of some aspects of the plan, including on governance and controls on the capital programme and procurement and some improvement in accountability but there remains a lot to do which will be implemented through the Council's three years Resilience Plan for 2026/27 to 2028/29 which focusses on addressing the financial position, balancing in year by 2028/29 and reducing reliance on historic EFS. Alongside this, a Financial Management Improvement Plan will be in place for ongoing improvements in compliance and financial management culture that are still required.
- 4.7 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 2025/26. The work in strengthening the governance concerning acquisitions and disposals, Information Governance and Delivery of the Housing Improvement Plan will be reviewed again during 2026/27. New governance controls in relation to the Councils financial position were introduced in 2024/2025 and will continue into 2026/2027.
- 4.8 Head of Audit and Risk Management: The work of internal audit throughout the financial 2025/26 focused on areas of risk in the organisation and on areas where governance improvements are necessary. During the financial year, the Council took steps to respond to its significant financial challenges including the establishment of boards and panels that sought to control spend and establish processes to secure value for money, and it is envisaged full implementation will continue into the next financial year and probably beyond, as reported in the previous governance statements. The work of internal audit in these areas sought to provide assurance over compliance with the new regime and advise supporting these developments.
- 4.9 From the audit work completed by internal audit, weaknesses in internal controls were identified in the following areas: Arrangements for Monitoring Contracts within Housing Services, Management, Monitoring and Collection of Income, Management of Green Haringey, Responsive Repairs (Housing), Voids

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Management, Use of Business Intelligence Reports, Management and Use of Contract Waivers, Management of Leisure Services, Governance over the Delivery of Savings, Corporate Arrangements for Effective Commissioning, Management and Collection of Clients Contributions (Adults Services) and Managing Housing Benefit Overpayments. The Audit committee has been appraised of the outcome of these audit areas and updated on the governance issues raised previously.

- 4.10 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2025/26. 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 reasonable internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory. The Annual Report highlighted the root cause from a review of the risks identified from audits and the subsequent recommendations, as in previous years ; these include management control to direct services, record keeping and data quality, the maintenance of full audit trails, and supervision controls. In addition, for this financial year, the Head of Audit also noted compliance as an issue.
- 4.11 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 2025/26, 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.
- 4.12 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.
- 4.13 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 2026. 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 Mark Blake
Leader of the Council
Date: 30/6/26



Andy Donald
Chief Executive
Date: 30/6/26

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.

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Report for: Audit Committee 23 July 2026

Item number: 9

Title: Draft Annual Governance Statement 2025/26

Report authorised by: Fiona Alderman – Director of Legal & Governance

Lead Officer: Taryn Eves – Corporate Director of Finance and Resources
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 2025/26 (AGS) and to provide a draft statement relating to the 2025/26 financial year for review and approval.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee review and approve the draft 2025/26 AGS, attached at Appendix A and note the Local Code of Corporate Governance attached at Appendix B.

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 of 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 8 – 25 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 the Director of Legal & Governance with input from Corporate Leadership Team. Previously, the Head of Audit and Risk Management carried out this role, recent advice from CIPFA now explicitly prohibits this and requires the Head of Audit and Risk Management to remain independent of this process. 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 33 to 38 at section 3.2 of the Draft Annual Governance Statement 2025/26. The governance issues are: -

- We need to improve our financial sustainability by reducing our reliance on Exceptional Financial Support and identifying and delivering savings to balance our budgets;
- 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;
- We need to continue our work on the Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including repairs and maintenance, voids management 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 FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements;
- The Council has recognised weaknesses with regards to commissioning and procurement and contract management arrangements; and
- Though the Care Quality Commission (CQC) praised aspects of our Adult Social Care provision, their review identified delays in our assessment process and accessibility and communications barriers. Our internal audits also highlighted weaknesses in our arrangements for carrying out financial assessments and collection of client contributions.

For each of the governance issue, the appropriate Corporate Director has set out the actions planned over 2025/26.

Section 3.1 of the AGS also outlines the progress made on issues identified in the 2024/25 statement. The update was previously reported to the audit committee in March 2026.

7. Contribution to the Corporate Delivery Plan and 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

Strategic Procurement confirms that there are no procurement-related issues preventing Audit Committee from approving the recommendations set out in 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 2025/26
Appendix B – Council's Local Code of Corporate Governance

11. Background papers

None

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Annual Governance Statement 2025/26

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 2026 and up to the date of the approval of the annual report and accounts.

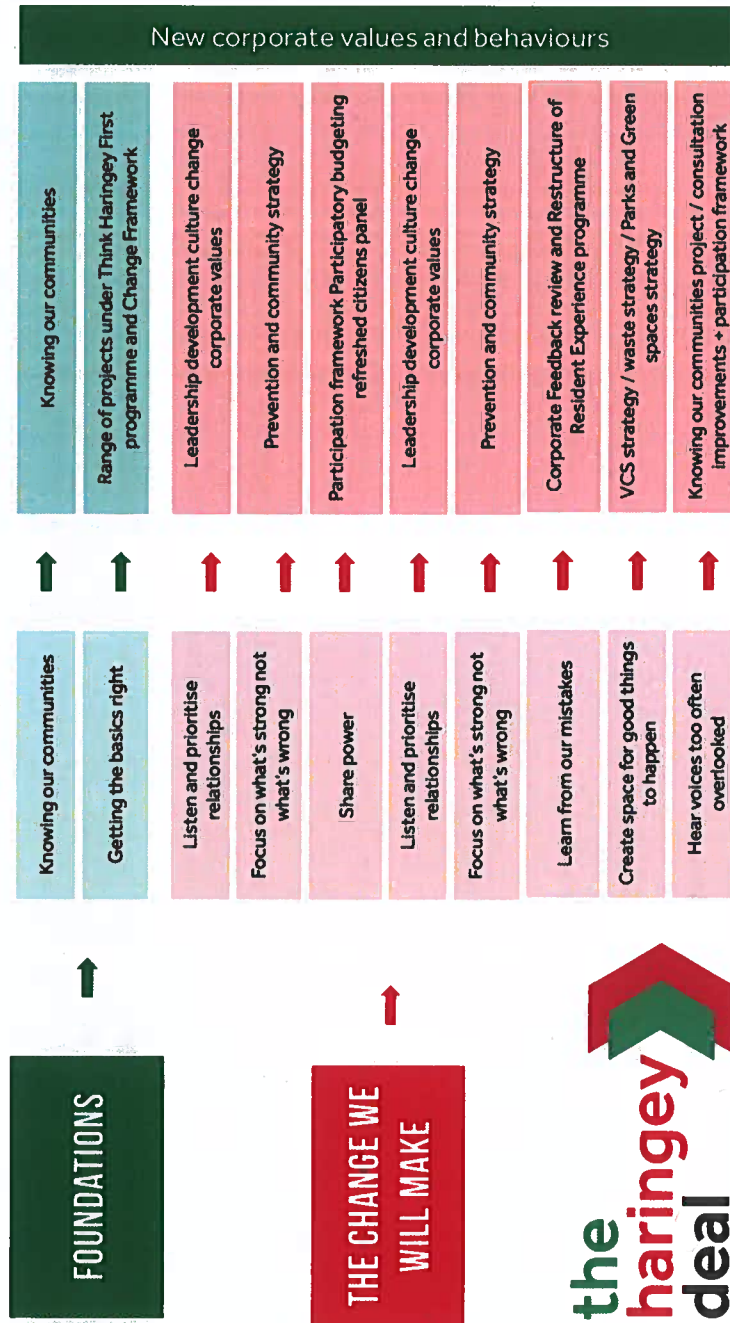
2.4 As a local authority, we operate in a complex and constantly evolving financial, policy and legislative environment and consequently, our responsibilities and operations continue to evolve. The funding models for local government continue to present challenges. We continue to deliver our ambitions set out in our corporate plan. 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 with 2025/26 being the final year. A further Corporate Delivery Plan will be produced following the 2026 local elections and published in the Autumn. The Plan outlines our strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The Plan 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 continued to be in place for the financial year 2025/26. 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 January 2026 Ofsted conducted a Children's Services Inspection which rated the Local Authority outstanding.
- 2.11 On 19 August 2025 the Local Government Ombudsman issued a decision in relation to a complaint brought by Ms X in relation to a case dealt with by the Adult Social Care team. Ms X complained the Council did not act when she raised concerns about Mr Y's welfare. She also complained about the Council's handling of her complaint. Ms X said the Council's actions caused distress to Mr Y, his family and Ms X. The LGO found that the Council was at fault. The LGO made several recommendations to the Council and confirmed on 1 December 2025 that it was satisfied with the Council's response.
- In November 2025 the Cabinet approved the Adult Social Care improvement plan which sets out the Council's three-year transformation plan for the service focusing on 10 priority areas during the first 12-18 months. Alongside this the Chief Executive chairs a cross-party Adult Improvement Board to oversee the improvement plan. The service has also strengthened the operational governance structures within Adult social care.
- 2.12 The Council continues to have a Housing Improvement Board and are on track to deliver against the improvement plan. On 17th December 2025 the regulator for social housing withdrew the regulatory notice confirming that Haringey had returned to compliance and the key issues underpinning the regulatory notice had been addressed.
- 2.13 The Council has 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, required 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 it is not sustainable and for every £1m of borrowing for EFS in 2025/26, this incurred £62,000 of borrowing costs. This is on top of the £10m required for 2024/25 to be able to balance the budget at the year end.
- 2.14 In addition, Cabinet received a budget report in March 2025 for the third quarter (April to December 2024) of 2024/25 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. Following the annual closure of accounts/ £10m was required and agreed.
- 2.15 Reliance on EFS is not sustainable. At the average cost of £62,000 for every £1m borrowed by Government, this places additional long term burdens on the residents of Haringey. Throughout 2025/26, spending and financial controls were in place and have been tightened through the year as in year forecasts were showing reliance on EFS could exceed the £37m agreed in principle. In February 2026, based on the 2025/26

financial forecast as at Period 7, the Council requested an increase in EFS to £54m for 2025/26 and this was subsequently approved in February 2026.

2.16 A Financial Response and Recovery Plan was agreed in April 2025. Oversight and delivery has been through the Finance Recovery Board, chaired by the Chief Executive and progress reported quarterly to Cabinet and Scrutiny. These measures include:

- Spend Control Panels for all non-essential expenditure over £1000;
- Recruitment Control Panel to provide check and challenge and approve or reject all permanent, temporary and agency recruitment;
- Improve purchasing compliance across the whole organisation within financial regulations, contract standing orders and purchasing compliance rules;
- Implementation of central gateway arrangements for capital projects, procurement and commissioning;
 - These are having an impact in reducing spending (estimated at £800,000 of rejections through the Spend Control Panel) but also shifting the culture in the organisation to one of good financial management is the responsibility of all. The final update on this Finance and Recovery Plan will be published as part of the outturn report to Cabinet on 14 July and has been replaced with the Financial Resilience Plan (see Section 2.21 below).

2.17 Although the key driver of the need for the EFS has been the demand for statutory services where costs have exceeded the available funding, it is recognised that the Council has struggled over recent years to deliver agreed savings. In 2025/26, £29.3m of savings across services and cross cutting initiatives were assumed to be delivered but only 62% were achieved, with many through other mitigations.

2.18 This issue and the Council's overall financial sustainability has now been the subject of a Statutory Recommendation from KPMG, the Council's appointed external auditor. The Council's full response will be presented to full Council on 20 July 2026 and actions have already been taken by the corporate leadership team to set in motion enhanced governance to ensure that agreed savings both from prior years and new for 2026/27 are delivered as planned.

2.19 Across the next five years, the financial position is even more challenging. In 2026/27, a balanced budget was only possible with the use of £84m of EFS. We recognise this is not sustainable and reliance on EFS continues to show an upward trajectory. The last update on the five year position was presented to Council in March 2026 and showed a cumulative deficit of £239m between 2027/28 and 2030/31 if nothing changes.

- 2.20 There are a number of emerging risks that are not yet factored into the MTFS position for the next five year period. These include:
- The North London Waste Authority levy – a project currently underway to replace the incinerator is likely to lead to a significant increase in the level paid by the authority from 2030/31; and
 - The future level of Government funding when the current 3 year settlement expires in 2028/29.
- 2.21 The 2025 Fair Funding Review and three-year local government financial situation provided welcome additional grant funding from government, allowing the Council to increase its core spending power. This equates to only £25.3m over the next three years in Government grant. With growing demand and price pressures, the additional resources have made only a small dent into the scale of the challenge we face. The Council will continue to lobby and work with Government to consider the role of Local Government and the statutory services it provides but also less punitive EFS measures to support Haringey in reaching a more sustainable future.
- 2.22 The Council must take all the necessary action to reduce spending or increase income it remains in control of. Historically the Council has undertaken an annual budget setting cycle but with a three year Government finance settlement now in place, a medium term approach must be considered and the Council has developed its three year Financial Resilience Plan which recognises that the problem is intractable in a single year, and also that the traditional savings approaches that the Council have adopted, whilst delivering some significant efficiencies, cost reductions and new income, have not had the impact that we would have desired.
- 2.23 The Financial Resilience Plan will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbours and limiting the year on year increase in cash limits.
- 2.24 Spending controls already in place will continue and we will introduce a clear Section 151 Officer approval process for any department to spend beyond its cash limits, to ensure that there is a clear and agreed funding strategy before expenditure is committed and ensure that there are clear consequences for any budget holder or manager who is found to be breaching or circumnavigating any of these measures. A full update on the plan and associated delivery plans will be published as part of the Medium Term Financial Strategy to Cabinet in November 2026.
- 2.25 KPMG are our external auditors and as such, are required to provide an assessment of the Council's arrangements to secure value for money (VFM). In their 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 and manage our risks; and
- **Improving economy, efficiency and effectiveness:** How we use information about our costs and performance to improve the way we manage and deliver our services.

2.26 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 2026, for the 2024/25 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. Areas of concern include – Council's financial sustainability, management of commercial property, procurement arrangements and adult social care. The Council has agreed the recommendations and set ambitious targets to implement their recommendations. Their VFM risk assessment for 2025/26 will be presented to Audit Committee on 23 July 2026 and the full report published in February 2027.

2.27 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.

2.28 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.

2.29 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 expected to be completed by March 2027.

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 and again in May 2026 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 2026/27 once legislation comes forward on the 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. For 2025/26, this process has been strengthened and all senior managers will be required to review annually. 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. Regular training is provided as well. 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.

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. In 2026, all services will be required to complete a Complaints Improvement Plan. 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, including the centralisation of all contracts over £25,000 has been embedded in 2025/26. A report will go to Cabinet to approve the Council's methodology of complying with Social Value Act requirements.	

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 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 2025/26.	of completed

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 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.	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 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 Previously the Council used Monday.com" as a tool for tracking progress and progress is captured and reported on a quarterly basis with dynamic links and Dashboards so progress can be actively monitored. This has now been replaced with Project Pathway. 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. The Council has a robust performance management approach reviewing our approach to monitoring whereby we have established a single performance framework. f) Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required and covers key performance indicators, capital delivery, savings programme delivery and transformation programme delivery as part of the Council's corporate planning, financial planning and capital programme frameworks. 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	Project Pathway was implemented in 2025/26 and is currently being rolled out but is not yet fully utilised by all services and fully embedded so this work will continue and complete in 2026/27. 2025/26 was the final year of the current CDP and plans are in place to develop the new CDP with the new administration for publication in the Autumn, reflecting updated priorities, actions and

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
Cabinet Accountability Model. Our Leader is the Cabinet Member responsible for the CDP and performance so there is clear leadership and accountability. In addition to the local arrangements that are in place to monitor the delivery of the Corporate Delivery Plan, new arrangements have been introduced by central 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> g) 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/ie/ListMeetings.aspx?CId=444&Year=0 h) Resident engagement also occurs in formal consultation and engagement processes during 2025/26 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. i) 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	performance measures, including the Local Outcomes Framework..

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 <u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u> a) The Borough Vision and 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. 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. In 2024, an updated plan was published on the website and recently refreshed to reflect the manifesto priorities of the administration at that time: Ambitious new vision for Haringey Haringey Council The Council Plan is now subject to review to reflect the priorities of the administration following the local elections in May 2026. 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,	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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. 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. The most recent MTFS was agreed by full Council in March 2026 Annex 1 -10 February 26 Cabinet 2026.27Budget and 2026.31MTFFS ver2.0 10022026 Cabinet.pdf and Annex 2. Summary of General Fund Revenue 2026.27 Budget and Medium Term Financial Plan 2030.2031.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) 2025/26 was the final year of the current CDP and the final closure report was presented to Cabinet in March 2026 CDP March 2026 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: 025.26Budget and 2025.30MTFFS ver1.0.pdf During 2025/26, the Council introduced a new framework for developing and managing the Capital Programme	The Council's financial position has deteriorated over the last 12 months. Increased demand pressures in social care and temporary accommodation means that closing the accounts in 2024/25 required £10m of Exceptional Financial Support (EFS) and £37m was agreed in principle for 2025/26 to enable a balanced budget to be set in March 2025. A response and recovery plan was agreed in April 2025 to reduce spending and the reliance on EFS and improve the culture across the organisation of good financial management being everyone's responsibility. The plan covers all aspects of improvement needed across financial planning, monitoring, reporting and compliance and is based on recommendations from internal and external audit, financial resilience exercise and the compliance with the Financial Management Code. Progress has been reported quarterly to Cabinet and Overview and Scrutiny Committee and the final update report will be to Cabinet on 14 July Agenda for Cabinet on Tuesday, 14th July, 2026, 6.30 pm Haringey Council

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
and developed its Capital Strategy to one of best practice. Full details are here Capital Strategy and was adopted by Council in March 2026. <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.	This plan has now been replaced with the Financial Resilience Plan The Financial Resilience Plan will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbours and limiting the year on year increase in cash limits. Full details will be published as part of our next Medium Term Financial Strategy in Autumn and this will include clear delivery plans to improve the financial position. Spending controls that were introduced in 2025/26 will continue into 2026/27.
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	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 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 following the local elections in May 2026. 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	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. Directors to ensure completion of the My Conversation process by all officers and managers as a matter of course.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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, along with a complete refresh of mandatory training, which is required to be completed by all employees. This includes a specific module of financial management 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	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. The protocol will be refreshed during 2026/27.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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 and is reviewed annually. Updates on risk management are presented to Audit Committee each quarter and from 2026/27 will be included in the quarterly reports to Cabinet. A project to strengthen risk management and embed the strategy commenced and has started to be embedded in 2025/26 and will continue into 2026/27. 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 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 but in 2026/27 a priority needs to be for all services to be utilising. https://www.minutes.haringey.gov.uk/ie/ListDocuments.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 2026 Corporate cttee - audit.	Continue to embed risk management principles. Over the year, Zurich Municipal have supported arrangements for embed risk management by running corporate and directorate risk workshops and with advice on managing appropriate risk registers. Embed technology to support the framework and process in 2026/27.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
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, chaired by the Corporate Director of Finance and Resources 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 d) Extensive work took place in 2025/26 to review policies and procedures, and the updated Business Continuity Plan presented to Cabinet on 16 September 2025 Business Continuity Policy report.pdf. These take account for changes in guidance and requirements (including recommendations from the Grenfell enquiry) as well as any lessons learnt from local and regional incidents. Service specific workshops have been undertaken and further planned to work through scenario planning of emergency situations to ensure plans in place are robust in practice. These workshops will continue in 2026/27. The Corporate Director and Head of Emergency Planning attends the NCL Emergency Planning Group to share experience and learn from others to consider as part of our own arrangements. <u>Managing performance</u> e) 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	The nature of Business Continuity means that Business Continuity arrangements will be under regular review and this will continue into 2026/27 and any changes reported to the Council's Audit Committee for scrutiny.

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
f) 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 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> g) 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. Each Departmental Management Team (DMT) considers finance and budgets at least every quarter and monthly for high risk budgets. Transformation and delivery of outcomes are aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website. h) 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 which is reviewed by the Corporate Leadership Team and the Cabinet receives quarterly budget management information. i) 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	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
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 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. 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. k) 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 2024/25 financial year and presented to Audit Committee on in January 2026. l) 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. 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
m) 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> n) 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> o) We produce an annual report to accompany its statement of accounts; for 2024/25, 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. 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%20ARR%2020AC.pdf p) 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 2025/26 there was a formal follow up presented to Audit Committee to communicate the progress	

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
with the action plans. Significant issues reported are being addressed but most will remain in 2025/26 and possible 2026/27. q) 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 12th March 2026 and papers can be found here: Corporate Delivery Plan Performance Update-Quarter 3 Cabinet 10 03 26Final.pdf <u>Assurance and effective accountability</u> r) 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 Audit Committee on a quarterly basis. All outstanding recommendations were reported to each meeting; a focus is maintained on ensuring all high priority recommendations are implemented. All outstanding recommendation continue to be monitored. s) 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.	

3. Significant governance issues

3.1 Following our review of governance in 2024/25, we identified some key areas where work would be undertaken in 2025/26 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 2026, this is set out below. All of these issues continue and will continue to be reported and monitored in 2026/27.

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
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). Corporate Director of Finance and Resources (s151) March 2026	The Council's Financial Recovery Plan has been in place since April 2025) based on the Council's current financial position, recommendations from the CIPFA resilience review and work by an external consultant in Autumn 2024. The focus of the plan was to eliminate the Council's reliance on EFS for 2026/27 onwards and move towards financial sustainability in the short to medium term. Progress has been reported quarterly to Cabinet and Overview and Scrutiny Committee and latest update will be to Cabinet on 14 July Appendix 10 - Finance Response and Recovery Plan.pdf Given the deteriorating financial position and the reliance on £84m of EFS in 2026/27, this plan is now subject to review with a focus on reducing reliance on EFS and improving financial resilience over the next three years and this will be presented in full as part of the next MTFS published in the Autumn (see further details below). Specific actions in 2025/26 included: - Continuing with the emergency governance and oversight arrangements that are established within the organisation, through the Finance Recovery Board and Cabinet Recovery Board; - Further strengthening the spend control mechanisms that are already in place across the organisation in order to further drive a consistent commitment to value for money, namely: ➢ Spend control panel (and continue to review thresholds) ➢ Recruitment Panel - agency and permanent recruitment restrictions on non-essential roles. ➢ Single point of governance for all of the capital programme (Strategic Capital Board) ➢ Single point of governance for all commissioning and procurements over £160,000 (Commissioning Panel and Board)

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	➤ All reports which involved spending over £25,000 to be reviewed by the Section 151 Officer. • A strong focus has been on delivering the £30m of savings already contained within the 2025/26 budget but this is still an area for improvement with the end of year position showing only 62% has been delivered at the year end and many through mitigations rather than the original changes planned. Improvements have already been made in estimating current and future service pressures with much greater use of non-financial trend data, scenario planning and estimates for risks and uncertainties. There has resulted in some improvement in forecasting but with forecasting variations month on month being less volatile but this good practice is not consistent across all services. In 2026/27 corporate contingency was increased to £25m to recognise the uncertainty in demand led services. A significant proportion of the audit plan for 2025/26 has been focused on this corporate risk area and outcomes will be shared with Audit Committee as part of the routine cycle of reporting. In January 2026 KPMG presented their Annual Report to the Audit Committee and Value for Money Report and the Council has since received a Statutory Recommendation which the Council will respond to at Full Council on 20 July and ongoing reporting to Audit Committee. Both the VFM report and the Statutory Recommendation contains recommendations relating to financial sustainability and the VFM report on procurement, commercial property and adult social care. These have been accepted by management and full responses on progress are highlighted in the next section.
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.	Good progress continues on the SAMPIP, as highlighted by four of the ten original objectives of the SAMPIP being closed out and delivered, and the remaining six being progressed against the action plan. Our next key milestone is June 2026 for the next annual report to Cabinet on the SAMPIP and operational asset reviews being completed. Income from the commercial portfolio is over £1m higher than the same period last year with full delivery of the improvement plan remaining a priority for the Directorate and will continue

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
Corporate Director of Finance and Resources (s151) March 2026	through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025. The Council's disposal policy, taken to cabinet in June 2025 and associated list, identified sites that were surplus to the Council's requirements, following their assessment through the council property review process, which is contained within the SAMPIP. These robust processes highlight a continued improvement in the management of our strategic and operational properties. Progress against this disposal list is managed through the Council's Disposal Board. An internal audit review was carried out in year and arrangements were given 'adequate' assurance.
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 Adults, Housing and Health March 2026	There has been good progress against the action plan developed in response to the mock inspection with monitoring by the Housing Improvement Board continuing to date to ensure oversight. HQN have since been commissioned to carry out an assessment of the actions within the plan against their recommendations from the mock inspection and the evidence against completed actions to provide assurance. Their findings following their assessment in October 2025 have indicated that we have a robust framework in place to identify, implement and monitor actions to meet the HQN recommendations and that significant, positive progress has been made in delivering the improvements identified by HQN. Since June 2025, 83% of the 213 actions included within the Housing Improvement Programme are now complete showing steady progress. Our improvement progress and performance across Housing Services continues to be regularly overseen by a variety of boards and panels, such as the Housing, Planning and Development Scrutiny Panel, the Housing Improvement Board, internal Housing governance boards, and our Resident Voice Board. The Council has continued to provide externally assured updates on compliance, where the Council's latest Housing Annual Compliance Statement was presented to Cabinet on 11 November 2025 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

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	safety, asbestos, legionella and lifts for March 2025 data. This continues 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 continues to show consistently good performance against the 'big six' health and safety indicators. Work to deliver the Building Safety Strategy 2024-28 continues and a review of the Strategy is to commence in 2026 in line with our strategy review commitments. Our Building Safety Managers are allocated specific buildings for them to ensure safe standards are maintained and we are also continuing to collate and submit safety cases for each high-rise building upon request by the Building Safety Regulator. In addition, the Building Safety Managers are a key point of contact for our residents, and they work to ensure our residents understand how they can be involved in decision making about the safety of their homes. This is a vital part of how we engage with our residents as set out in our Building Specific Resident Engagement Strategies. To enhance resident information regarding safety and in line with Regulatory requirements we are installing Building Safety Specific notice boards in high-rise buildings which will provide key information, updates, and advice for residents. We are also developing a permit to work system for the buildings to ensure that on-going repairs and maintenance activities do not undermine or deteriorate the fire and structural safety systems within the buildings. The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the revised Contract Award report approved in October 2025, subject to Section 20 consultation, which was completed in December 2025 with final approval in January 2026. This is following original approval by Cabinet in June 2025. Following mobilisation, go live is expected in April 2026. 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. Following our self-referral to the Regulator and delivering against the Housing Improvement Programme and the Housing Inspection Action Plan, Housing Services is in a much-improved position and is able to provide assurance to Council tenants and leaseholders. Due to the sustained improvement, the Council recently requested the removal of the

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	Regulatory Notice. The Regulator of Social Housing has since confirmed they have lifted the Regulatory Notice as of 17 December 2025 recognising the improvements that have been delivered and the requirements that have been met. On this basis there is no longer a significant governance issue and performance, and compliance will continue to be monitored through the corporate risk register and existing governance structures as outlined in this update.
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. Corporate Director Culture Strategy Communications March 2026	Performance continues to be discussed and monitored at the Cross Council Information Governance Board the role of which was strengthened in 2025/26. Performance reports are presented to the Corporate Leadership Team quarterly. Any feedback from the Ombudsman is also discussed with Senior Management and actions tracked. The ICO did a return visit in June to review action plan implementation and they were satisfied with progress and have closed the audit. Phase 2 implementation of the new system (Infreemation) for managing information rights requests went live on 1 December 2025 and services now have direct access to case manage their assigned requests. The feedback from the services has been generally very positive. The focus for Q4 will be on improving reporting from the system.
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 Culture Strategy Communications	Workforce Strategy Action Plan is in delivery. A small number of Directorate Workforce Action Plans have been completed. Work on this has now been paused to allow Directors to focus on the immediate financial crisis. Human Resources are delivering sessions to Heads of Service on people management, restructures and making financial savings in order to support the immediate drive to reduce spending. Focussed work is taking place with Directorate Management Teams on key HR areas such as managing and reducing the cost of sickness, performance management and accuracy of establishment data. Mandatory and Leadership training has now been insourced and feedback is positive.

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
March 2026	Agency spend has decreased substantially and there has been an increase in the permanent workforce. Regular updates are presented to the General Purposes Committee. There has been considerable focus on reducing agency spend. There is a process for Statutory Officers to consider approving market supplements in areas where this is necessary, affordable and appropriate in the context of the wider workforce.
The Council has recognised weaknesses with regards procurement and contract management arrangements. Corporate Director of Finance and Resources (s151) March 2026	The Council has strengthened its procurement and commissioning framework to ensure compliance, mitigate fraud risk, and deliver value for money. A revised operating model and staffing structure now require all contract re-tenders above £25k to be managed by the Strategic Procurement Team. Compliance and Governance • Contract Standing Orders have been updated to align with the Procurement Act 2023 and enhance oversight of procurement and contract management. Full Council approved these changes. • Governance improvements include: ➢ Spend Control Panel for all expenditure above £1,000. ➢ Transition from the Procurement Board to a Commissioning Board, responsible for: ▪ Monitoring commissioning modernisation programme implementation. ▪ Reviewing procurements over £500k. ▪ Escalating issues from commissioning panel and procurement. ▪ Ensuring compliance across commissioning, procurement, and contract management. ➢ Introduction of a Commissioning Panel to review procurements above £160k (to be extended to £25k+), ensuring alignment with commissioning and procurement strategies and essential needs. Commissioning Modernisation Programme Endorsed by the Corporate Leadership Team, the programme comprises two workstreams:

Issue & Agreed Action/ Deadline	Progress update (as at January 2026)
	➤ Contract Reviews – Led by the Chief Procurement Officer, focusing on targeted reviews and refreshed category strategies to deliver £9m savings over three years. ➤ Commissioning & Practice – Led by the AD Commissioning & Programmes, embedding best practice through five sub-workstreams: ▪ Digital and data analytics. ▪ Commissioning framework, policies, and tools. ▪ Procurement pipeline review. ▪ Contract management and quality assurance toolkit. ▪ Service redesign based on needs analysis. A comprehensive training programme supports these initiatives. Technology and Risk The Council remains compliant with the Procurement Act 2023. However, notification processes remain manual pending implementation of a new e-procurement solution via the ERP programme. Delays in technology rollout may temporarily impact some controls. Regular updates on procurement risk and control are provided to Audit Committee, reflecting historic limited assurance findings. Work continues on new category strategies, revised procurement procedures, and an updated contract management toolkit aligned with government best practice. Internal Audit Audit work re contracts and procurement has been included in the 2025/26 audit plan and outcomes will be reported to members via the routine reporting cycle.

3.2 We have identified the following significant governance issues during 2025/26 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 improve our financial sustainability by reducing our reliance on Exceptional Financial Support and identifying and delivering savings to balance our budgets.	Across the next five years, the financial position is even more challenging. In 2026/27, a balanced budget was only possible with the use of £84m of EFS. This is not sustainable and reliance on EFS continues to show an upward trajectory. The last update on the five year position was presented to Council in March 2026 and showed a cumulative deficit of £239m between 2027/28 and 2030/31 if nothing changes. The Council is taking all the necessary action to reduce spending or increase income it remains in control of. Historically the Council has undertaken an annual budget setting cycle but with a three year Government finance settlement now in place, a medium term approach is in place and the Council has developed its three year Financial Resilience Plan which recognises that the problem is intractable in a single year. The Financial Resilience Plan (which replaces the Financial Response and Recovery Plan) will focus on eight key priority areas, mainly those which are high spending and all other services will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending and performance in line with statistical neighbourhoods and limiting the year on year increase in cash limits. Spending controls already in place will continue and we will introduce a clear Section 151 Officer approval process for any department to spend beyond its cash limits, to ensure that there is a clear and agreed funding strategy before expenditure is committed and ensure that there are clear consequences for any budget holder or manager	Corporate Director of Finance and Resources (s151)	March 2027

Issue	Action	Responsibility	Due date
	who is found to be breaching or circumnavigating any of these measures, through utilising appropriate HR processes. A full update on the Financial Sustainability and associated delivery plans will be published as part of the Medium Term Financial Strategy to Cabinet in November 2026.		
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.	Delivery of the actions within the SAMPIP will continue in 2026/27 and our next key milestone is June 2026 for the next annual report to Cabinet on the SAMPIP. A review of all operational assets is underway with an aim of reviewing service need and consolidating services to reduce surplus space and where assets are retained to maximise use and commercial benefits. The outcome of this review will be reported later in the year. Income from the commercial portfolio is over £1m higher than the same period last year with full delivery of the improvement plan remaining a priority for the Directorate and will continue through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025.	Corporate Director of Finance and Resources (£151)	March 2027
We need to continue our work on the Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including repairs and maintenance, voids management health and safety	The Housing Improvement Programme is currently at 92% completion, with progress continuing to be overseen by our framework of internal boards and our cross-party member-led Housing Improvement Board. In addition, these boards also oversee progress against our Housing Inspection Improvement Plan, which was introduced following our mock inspection in October 2024 with recommendations made by HQN. We are currently undergoing inspection by the Regulator of Social Housing as part of their new cyclical regulation programme introduced in April 2024. We anticipate that we will move into a	Corporate Director Adults, Housing and Health	March 2027

Issue	Action	Responsibility	Due date
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.	Phase 2 of improvement based on the outcomes of the Regulator's assessment against the Consumer Standards which will likely be in Q3 of 25/26. The Housing Service has launched a comprehensive review of the end-to-end voids process, establishing a new strategic voids working group in February 2026 to oversee this. Whilst they oversee this review, actions have already been identified and implemented to improve our approach to voids. Our Building Safety Strategy 2024-28 was approved by Cabinet in July 2024 and details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. This 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 11 November 2025 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 for March 2025 data. 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 and we anticipate that we will continue to maintain and build on this position.		

Issue	Action	Responsibility	Due date
	The procurement of four new Partnering Contracts to deliver £570m work over 10 years has been completed following original approval by Cabinet in June 2025. This will increase our capacity to deliver the required investment in our homes from August 2026, and is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023. This will also help support the condition of our stock and alleviate pressures on repairs, voids, and building safety long-term. The service has exceeded the target of 987 homes to be made decent by 31 March 2026, where 1,006 homes have been made decent for 2025/26. This has meant the percentage of homes meeting the decent homes standard has increased to 84% from 78.4% in 2023/24.		
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.	Performance continues to be discussed and monitored at the Cross Council Information Governance Board the role of which was strengthened in 2025/26. Performance reports are presented to the Corporate Leadership Team quarterly. Any feedback from the Ombudsman is also discussed with Senior Management and actions tracked.	Corporate Director Culture Strategy Communications	March 2027
The Council has recognised weaknesses with regards to commissioning and procurement and contract management arrangements.	Good progress has been made through the Commissioning Modernisation Programme as highlighted above but this is a three year programme to 2028/29. In 2026/27, the planned improvements to workforce, skills and development will be in place and the roll out of a corporate contract management framework. The compliance activity of the programme to review all contracts, finalise the complete contracts register and reduce the number of exceptions needed to CSOs will continue.	Corporate Director of Finance and Resources (£151)	March 2027

Issue	Action	Responsibility	Due date
Though the Care Quality Commission (CQC) praised aspects of our Adult Social Care provision, their review identified delays in our assessment process and accessibility and communications barriers. Our internal audits also highlighted weaknesses in our arrangements for carrying out financial assessments and collection of client contributions.	From a financial assessment and client contribution perspective, a robust improvement plan is in place to address the weaknesses identified through internal audit and to respond to the wider CQC findings around assessment delays, accessibility and communication. Significant progress has already been made in reducing the backlog of outstanding financial assessments, with a clear plan in place to reduce the remaining outstanding assessments by summer 2026. Additional capacity has been secured for the Financial Assessment Team, with a number of new posts already appointed to, and further roles being introduced to ensure assessments are processed in the most effective and timely way. An end-to-end review of the financial assessment and client contribution process has been completed, covering the full resident journey from first contact with Adult Social Care through to financial assessment, billing, collection and debt recovery. A Standard Operating Procedure has now been agreed across the process, supported by mandated awareness-raising sessions for Adult Social Care staff to improve consistency, understanding and compliance. Work is also progressing to improve the accessibility and clarity of information provided to residents, families and carers. This includes a review of printed and digital information to ensure that people understand the financial assessment process, their contribution responsibilities, and the support available to them. In addition, the DASS is chairing a task and finish group to co-produce key letters and communications with statutory partners and residents, ensuring information is clearer, more accessible and better aligned with the needs of people using services.	Corporate Director Adults, Housing and Health	March 2027

Issue	Action	Responsibility	Due date
	Governance arrangements are in place to oversee delivery of the improvement plan, monitor progress against the backlog reduction trajectory, and ensure that changes to process, capacity, communication and debt recovery are embedded.		

4. Review of effectiveness

4.1 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.

4.2 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 2025/26. Their comments on the key governance issues are as follows:

Corporate Director of Finance and Resources:

4.3 The financial year 2025/26 has been a particularly challenging one for Haringey in terms of putting in place arrangements to address its financial position. Reliance on EFS of £37m to balance the budget in March 2025 was a clear signal of the Council's deteriorating financial position and at the end of year, £40.6m will be required. 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 although the Council will see an increase in Government grants of £25.3m over the next three years from the Fairer Funding and the multi year settlement provides some certainty over the next three years, the level remains insufficient given the demand and price pressures that are continuing year on year.

4.4 In the past any gap in delivery of savings or other unplanned overspend has been met with an unplanned drawdown from Council reserves but as reported in the last couple of budget reports to Full Council, it was emphasised that reserves 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 and triggered the need for EFS.

4.5 The 2025/26 budget included £56.8m of additional budget for services and £26.2m for corporate pressures, including interest costs. However, this was not sufficient, leading to a £15.5m overspend on service budgets. The budget included £29.3m of approved savings but only 62% were

delivered and many of these through mitigations, despite a strong focus in the year on savings delivery. This non delivery is not sustainable and all services must deliver new and previously approved savings in full in 2026/27 and this will continue to be monitored through Finance Recovery Board, which now includes independent external experts for check and challenge and to hold senior leaders to account.

4.6 An emergency response to the financial position was put in place from April 2025 and the Finance Recovery Board (chaired by the Chief Executive) has been overseeing the Finance Response and Recovery Plan with a focus on reducing non-essential spending, improving delivery of savings and improving all aspects of financial management and governance across the Council. There has been some success in the delivery of some aspects of the plan, including on governance and controls on the capital programme and procurement and some improvement in accountability but there remains a lot to do which will be implemented through the Council's three years Resilience Plan for 2026/27 to 2028/29 which focusses on addressing the financial position, balancing in year by 2028/29 and reducing reliance on historic EFS. Alongside this, a Financial Management Improvement Plan will be in place for ongoing improvements in compliance and financial management culture that are still required.

4.7 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 2025/26. The work in strengthening the governance concerning acquisitions and disposals, Information Governance and Delivery of the Housing Improvement Plan will be reviewed again during 2026/27. New governance controls in relation to the Councils financial position were introduced in 2024/2025 and will continue into 2026/2027.

4.8 Head of Audit and Risk Management: The work of internal audit throughout the financial 2025/26 focused on areas of risk in the organisation and on areas where governance improvements are necessary. During the financial year, the Council took steps to respond to its significant financial challenges including the establishment of boards and panels that sought to control spend and establish processes to secure value for money, and it is envisaged full implementation will continue into the next financial year and probably beyond, as reported in the previous governance statements. The work of internal audit in these areas sought to provide assurance over compliance with the new regime and advise supporting these developments.

4.9 From the audit work completed by internal audit, weaknesses in internal controls were identified in the following areas: Arrangements for Monitoring Contracts within Housing Services, Management, Monitoring and Collection of Income, Management of Green Haringey, Responsive Repairs (Housing), Voids Management, Use of Business Intelligence Reports, Management and Use of Contract Waivers, Management of Leisure Services, Governance over the Delivery of Savings, Corporate Arrangements for Effective Commissioning, Management and Collection of Clients Contributions (Adults Services) and Managing Housing Benefit Overpayments. The Audit committee has been appraised of the outcome of these audit areas and updated on the governance issues raised previously.

4.10 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2025/2626. 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 reasonable internal financial control systems and corporate governance arrangements in place, and that risk

management arrangements are satisfactory. The Annual Report highlighted the root cause from a review of the risks identified from audits and the subsequent recommendations, as in previous years ; these include management control to direct services, record keeping and data quality, the maintenance of full audit trails, and supervision controls. In addition, for this financial year, the Head of Audit also noted compliance as an issue.

- 4.11 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 2025/26, 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.
- 4.12 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.
- 4.13 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 2026. 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 Mark Blake
Leader of the Council
Date: 30/6/26



Andy Donald
Chief Executive
Date: 30/6/26

LOCAL CODE OF CORPORATE GOVERNANCE

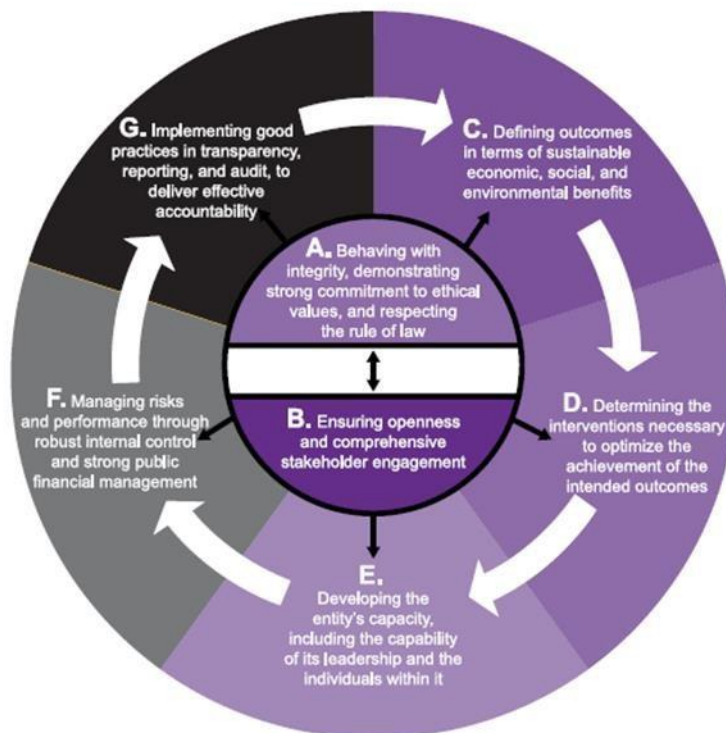
Haringey Council
2024/25

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
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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 23 July 2026

Item number: 10

Title: Annual Internal Audit Report 2025/26

Report authorised by: Taryn Eves – Corporate 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 Members of the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2025/26 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 2025 Global Internal Audit Standards (GIAS) and the accompanying Application Note; 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 2025/26 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 2025/26 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 2025/26.

In addition, the mandatory GIAS 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 GIAS 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 2025/26.

7. Contribution to the Corporate Delivery Plan and 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. 8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director 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. A new contract is being created to apply from 1 April 2026. 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 – Haydee Nunes De Souza, Head of Legal Services

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 GIAS 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 2025/26 including Head of Audit Opinion

Appendix B – Internal Audit Outcomes 2025/26 – Mazars

Appendix C – Schools Audit Outcomes 2025/26 - Mazars

Appendix D – Anti Fraud Outcomes 2025/26

Appendix E – Quality Assurance and Improvement Plan

11. Background papers

Not applicable

APPENDIX A - Annual Internal Audit Report 2025/26 (Including Head of Internal Audit Opinion)

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Appendix B - Outcomes from Systems Audits and Follow Ups 2025/26
Appendix C – Outcomes from Schools Audits and Follow Up 2025/26
Appendix D - Anti-Fraud work 2025/26
Appendix E – Quality Assurance and Improvement Plan



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 Since 1 April 2025, local government internal audit functions are expected to operate in accordance with:
- Global Internal Audit Standards (GIAS) – UK Public Sector;
 - Application Note in respect of the Global Internal Audit Standards in the UK Public Sector; and
 - CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.
- 1.3 The professional standards for local authority internal audit are ultimately based on the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA), which is the global professional body for internal auditing 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 Chief Audit Executive (Head of Internal Audit and Risk Management) 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 2025/26, 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 2025. It is worth noting that the internal audit plan can only provide 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.
- 1.4 Under the GIAS, 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 (precursor to the Audit Committee) in respect of the EQA and compliance with Public Sector Internal Audit Standards (the standards applicable before 1 April 2025) in July 2022. The Audit Committee was advised on the new internal audit standards in January 2025, before the new standards came into force from 1 April 2025. Key elements of the delivery of internal audit were refreshed, in particular, the internal audit strategy

and charter to ensure compliance with the new standards and presented to the audit committee most recently on 8 March 2026 with the internal audit plan.

- 1.5 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. 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 completed on 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 undertakes 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 2025/26.
- 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, using a risk based methodology:

- **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 2026 states the following in respect of the Global Internal Audit Standard:

- *"as an independent and objective process for evaluating and improving an organisation's operations. It's a key component of good governance."*

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 2025 Global 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 and external audit;
 - Risk Management workshops undertaken to support management to better manage either existing or emerging risk areas;
 - Counter-fraud activity and investigations;
 - Assurance from management and governance bodies; and
 - Professional judgement regarding the significance of findings and risks identified

- 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 2025/26. 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 other areas reviewed are adequate and effective. It is noted that areas of concern noted in prior years have not yet been fully addressed, 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 undertakes follow up reviews or further audit work to confirm their implementation.
- 3.7 For 2025/26, 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 For this financial year, my opinion is layered; I felt a single opinion may be seen to oversimplify the organisation's control environment. This approach will provide greater transparency to management and the Audit Committee and help explain how my overall opinion has been reached. The meaning of the different levels of assurance is set out below:

Adequate Assurance - 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 and that the system of internal control that has been in place at the Council for the year ended 31st March 2026 and accords with proper practice, except for the significant internal control issues referred to in this report.

Limited Assurance - There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

- 3.9 I have considered the following areas and provided my opinion for each:

Governance Opinion – “Adequate Assurance”. This is based on the authority's decision-making arrangements, ethical framework, constitution and scheme of delegation, committee effectiveness and performance management.

Risk Management Opinion - “Adequate Assurance”, based on the Council's risk framework maturity, strategic risk management, risk ownership, integration of risk into decision-making and the work carried out by Zurich Municipal in supporting the authority's risk management practice.

Internal Control Opinion – “Limited Assurance”, based on effectiveness of financial controls, operational controls, compliance controls and key service controls. A summary of the key internal control matters arising from the work of internal audit is set out at paragraphs 3.13 – 3.19. This is particularly relevant in the context of internal controls over the delivery of savings and compliance with internal controls put in place to respond to the organisation’s financial pressures. The issuance of a statutory recommendation by the Council’s external auditors, KPMG, who highlight “unidentified savings/funding gaps in financial planning that would substantially threaten the delivery of the plan” and “persistent failure to meet savings plans or financial targets” illustrate significant weaknesses of the Council’s control environment. The recommendation is published at [Statutory Recommendation](#). It is acknowledged measures to strengthen financial governance have been put in place to improve the financial position of the authority but these have yet to realise the savings required. The response of the Council is set out at this link [Response to Statutory Recommendation](#).

- 3.10 **Overall Opinion:** based upon the work completed during the year and the other sources of assurance available, it is my overall opinion is that **Limited Assurance** can be given that the Council's framework of governance, risk management and internal control was operating effectively during 2025/26 and supports the achievement of the Council's objectives. Several areas for improvement were identified, some sufficiently significant to undermine the overall effectiveness of the control environment. Management have accepted appropriate action plans to address the weaknesses reported. It is also important to acknowledge the statutory recommendation issued by the external auditor to balance Council budget.
- 3.11 As in previous years, the proportion of internal audits assigned a lower level of assurance is significant. In my conversations with Corporate Directors when planning the annual internal audit plan, we consider areas of risks where management have concerns or seek assurances over the arrangements in place, to make better use of the internal audit resource. I have discussed this approach with the former 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. However, the lack of compliance with stronger controls over recruitment and spend instigated during 2025/26 is concerning, and I will continue to monitor and provide assurances to management and the Audit Committee.
- 3.12 In summary, the outcomes of the 2025/26 audit plan contained within this report indicate that areas where assurances were not adequate are set out below. It is important management take appropriate steps to ensure internal controls are implemented in these areas.
- 3.13 A number of operational internal audits within Housing have been assigned “Limited assurance” such Responsive Repairs and Management of Garages. These are known areas of risk and the service is responding to audit recommendations. At its last meeting, the Audit Committee received a presentation from management over its actions over the Management of Voids audit that had been assigned “Limited” assurance. On a positive note, the internal audits of

Disrepair cases and voluntary undertaking (six statutory requirements) both resulted in positive assurances.

- 3.14 In respect of Property Services where in 2021/22 “Limited” assurance opinions and management concerns were highlighted, progress continues on establishing the fundamental internal controls, though the arrangements are not finalised. In my last annual report, I explained I will monitor and formally follow up the progress to address control weaknesses in this area in 2025/26 including new audits as appropriate. I am pleased to note that the audit of Acquisition and Disposal was assigned “Adequate Assurance” after many years of being assigned “Limited Assurance”. Nevertheless, there is still a need for establishing strong internal controls in many areas of the service, including Commercial Property where gaps in governance remain.
- 3.15 Over the 2025/26 financial year, a number of audits were performed to allow the authority to gauge the effectiveness of new financial controls that were put in place to help respond to the financial challenges at the authority. Two area of audits are particularly relevant; an advisory audit of the Compliance with Cost Control Measures and the assurance audit of the Governance and Delivery of Savings that was assigned a “Nil” assurance. In response, further audits are planned in this financial year to provide new assurances in these areas. As noted above, the external auditors in their annual report have also highlighted delivery of savings and financial viability and my audit plan will need to be adapted to take further note of any external audit recommendation. The issuance of a recommendation under their statutory powers highlights the external auditor’s concern over the Council’s financial governance and it is important internal audit work provides assurance over the implementation of the Council’s recommendations to address the statutory and two non-statutory recommendations.
- 3.16 Last year, I highlighted weak internal controls is in respect of the financial controls with Adult services. Internal audit had 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. Moreover, the CQC inspection highlighted weakness in the operation of the service, consequently, an improvement plan was established and Board, chaired by the Chief Executive established to review and implement improvements. This work is on-going and for the financial year 2025/26, the service was yet to complete all its actions. This invariably means the service remains exposed to financial and reputational risks where the control environment is not robust.
- 3.17 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. This work is still in progress.
- 3.18 The internal audit work over the governance of Homes for Haringey (HfH) and Haringey Community Benefits Society (HCBS) highlighted weaknesses in current arrangements. For both organisations, internal audit has assigned “Limited”

assurance in respect of audits of property management and raised wider concerns over the operations within the organisations.

- 3.19 As I reported last year that an 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. Though there is some good progress, particularly over the creation of an organisation wide, risk based contract management arrangements, though compliance with the new procedures remain variable.
- 3.20 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 2025/26 had actions to improve our follow up regime, there is good improvement in this area and with a clear record of all priority 1 recommendations. Key officers in service have also been identified and assigned the responsibility of reporting the status of recommendations to their Departmental Leadership Meetings (DLT) on a regular basis. The Deputy Head of Audit and Risk has been tasked with continue leading on this for the organisation.
- 3.21 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.
- 3.22 In respect of the Council's governance arrangements, actions to enhance its governance framework is outlined within the 2025/26 Annual Governance Statement. Key areas of improvements are: -
- We need to improve our financial sustainability by reducing our reliance on Exceptional Financial Support and identifying and delivering savings to balance our budgets;
 - 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;
 - We need to continue our work on the Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems,

including repairs and maintenance, voids management 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 FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements;
- The Council has recognised weaknesses with regards to commissioning and procurement and contract management arrangements; and
- Though the Care Quality Commission (CQC) praised aspects of our Adult Social Care provision, their review identified delays in our assessment process and accessibility and communications barriers. Our internal audits also highlighted weaknesses in our arrangements for carrying out financial assessments and collection of client contributions.

3.23 Previously, over a number of years, 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. The ethos of openness has continued into the audits performed in 2025/26. The proportion of audits assigned a lower level of assurance is similar to 2024/25. The financial challenges and the need for robust financial controls that the organisation is putting in place means the services and departments continue to be challenge in improving the overall control environment in the services and departments. A summary of outcomes for 2025/26 is as follows:

- 14 audits assigned were “Adequate” assurance and none were assigned the highest level of “Substantial” assurance. A further six areas were advisory audits double that carried out last year;
- One area was assigned “Nil” assurance and 13 audits “Limited” assurance; and
- There are ten audits where the audit work has been completed and the findings will be reported at the next audit committee.

3.24 For the financial year 2025/26, a total of 154 recommendations were raised. This is lower (205 in 2024/25) than number of audit recommendations in the previous year. The percentage of priority 1 recommendation has increased by 14% from the previous year. The priority of the recommendations raised is as follows:

- Priority 1 recommendation – 23
- Priority 2 recommendations – 81
- Priority 3 recommendations – 46

3.25 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 fully Implemented / Total raised	Priority of Recommendations not fully Implemented		
		Priority 1	Priority 2	Priority 3
2022/23	8/209	0	8	0
2023/24	12/116	0	12	0
2024/25	18/205	3	10	5

3.26 Further details over the status of follow up, assurances and priority of recommendations is provided at section 6 below.

3.27 The original 2025/26 Audit Plan included 13 school audits, and one audit was deferred from the prior year. One audit was cancelled as the school is moving to an academy, and two audits were deferred at the request of the Head Teacher. The audit plan is cyclical with schools being audited every four to five years, some flexibility of timing is built into the planning process. I have been reporting for a number of years now that the outcomes of schools' audit have considerably improved since 2019/20 when I noted that the control environment in Haringey's schools 'required improvement'. Again, for 2025/26 no schools have been assigned 'Nil' assurance. It is noted however, as was experienced in 2024/25, we have seen a dip in performance, with seven of the eleven schools audited being assigned 'Limited' assurance, this being for all a reduced assurance from prior audits. 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: -

- Four out of eleven schools completed received 'Adequate' or above assurance rating;
- No schools received a 'nil' rating;
- Seven schools received 'Limited' Assurance;
- No school received an improved Assurance from their last audit;
- For all but one school, there was a reduction in assurance from the last audit; these schools all received a limited assurance; and
- The number of Priority 1 recommendations remains high with 8 raised across 6 of the audits.

3.28 Common themes arising from the audit of schools continue to include:

- **Governance** - Governors not providing evidence of their DBS certificate, particularly where the previous certificate requires an update.
- **Procurement** activities were not undertaken in line with quotation and tendering requirements, with insufficient evidence of competitive quotes obtained to supplier selection and also cash flow affecting payment of invoices within 30 days.

- **Information Governance** - 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.

3.29 For the financial year 2025/26, a total of 94 recommendations were raised. The priority of the recommendations raised is as follows:

- Priority 1 recommendation – 8
- Priority 2 recommendations – 43
- Priority 3 recommendations – 43

3.30 As in other years most recommendations made relate to Procurement (21%) although this is a decrease percentage wise from last year; School Governance (30%) similar to last year, Information Governance (14%) increase from last year.

4. Internal Audit Coverage and Output

4.1 The 2025/26 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 2025/26 included 47 audit projects and 13 school's audits, which was approved by the Audit Committee on 11 March 2025. 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 46 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 2025/26 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	
Forecasting, Reporting and Financial Sustainability	This audit was cancelled as the external audit provided assurance over this area.
Children's Services	
Strategic review over Children's Social Care Demand Management	The Commissioning arrangements at the authority were subject to change and it was determined a review post the change would be most beneficial.
Hornsey School for Girls	This audit was deferred.
Our Lady of Muswell	This audit was postponed.
Adults, Health and Communities	
Arrangements to Manage Transitions	This area offered savings as part of the Council's savings programme and was subject to change at the time of the audit.
Supply, Demand and Utilisation of Day Services	The service asked for this audit to be deferred as a number of changes were being instigated from the actions noted in the improvement plan.
Commissioning Social Care Services (cancelled)	The Commissioning arrangements at the authority were subject to change and it was determined a review post the change would be most beneficial.
Culture, Strategy and Engagement	
No change	

Audit Area / Title	Status
Environment and Resident Experience	
Implementation of the Customer Services Solution - Project Management and Delivery	This project has changed and the audit was deferred to a time when the project is more advanced.
Placemaking and Housing	
Management and Operation of Partnering Contracts	This a known area of risk and the service had not been implementing planned changes during the year.
Management of the Concierge Service	The service asked for this audit to be deferred and the service needed to make the changes that it needed in this area.
Leasehold Charges including Major Works	This audit was deferred and will be carried in the 2026/27 audit plan.
Arrangements to monitor and manage compliance with big six standards.	This audit was cancelled as another advisory audit was commissioned with a wider remit.
Corporate IT Audits	
Review of the Outline Business Case for SAP Replacement (cancelled)	The project had not processed to business case and the audit was deferred.
Service Modernisation Review	The service is carrying out a restructure to optimise its delivery and the audit was deferred.
Contract and Procurement Audit	
Implementation of the Source to Pay Solution (Project Management) (cancelled)	The project had not processed to business case and the audit was deferred.
Source to Pay Application Review - Key controls review (cancelled)	The project had not processed to business case and the audit was deferred.

Table 2 – Summary of changes to the audit plan.

Plan / Change	Number
Number of audit projects as per the original plan (+)	47
Number of planned schools Audits (+)	13
Total number of assignments (=)	60
Projects added to the plan in year (+)	12
Projects deferred / cancelled (-)	16
Total number of assignments (=)	56
of which Audit Assignments (incl Follow Up)	38
Advisory	7
Schools	11
Number completed by Mazars (see app B)	
of which Audit assignments totalled	28
Schools totalled	11
Advisory totalled	7
Audits completed and to be reported in 2026/27	10

- 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 2026/27, 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 2026/27 has had an adverse impact on my overall opinion for 2025/26. 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	
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 2025/26

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 2025/26 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 2025/26, 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 2025/26 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 GIAS, 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 2025/26 IA resources fulfilled the UK GIAS requirements in terms of the combination of professionally qualified and suitably experienced staff.

Qualifications to the Opinion

- 5.9 During 2025/26 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 2025/26.

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 2025/26. 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. As in the previous year, 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"), though some improvements were noted. Examples of internal controls in the second line of defence include checks over the robustness of 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 2025/26.

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 (including Schools)

Assurance Level	2025/26 Reports	2024/25 Reports	2023/24 Reports
Substantial	0 (0%)	6 (13%)	2 (4%)
Adequate	17 (33%)	14 (26%)	20 (36%)
Limited	21 (39%)	22 (40%)	16 (29%)
Nil/No	1 (2%)	1 (2%)	2 (4%)
Advisory / Risk Work	7 (13%)	3 (6%)	2 (4%)
Follow Up / reporting in 25/26	6 (13%)	6 (13%)	13 (23%)
Total	52 (100%)	52 (100%)	55 (100%)

Recommendations raised in 2025/26 and Follow Ups in 2024/25

- 6.2 An analysis of the recommendations raised as part of the 2025/26 audits is set out below. The figures are based on 39 assurance reports. Details of the recommendations raised for 2025/26 is set at paragraph 3.20 above.

Table 4 - 2025/26 recommendations by priority (excluding Schools)

Risk	Number of recommendations		Percentage	
	2025/26 (28 Audits)	2024/25 (44 Audits)	2025/26 (28 Audits)	2024/25 (44 Audits)
Priority 1 – High	23	28	15%	14%
Priority 2 – Medium	81	104	53%	51%
Priority 3 - Low	46	73	32%	35%
Total	154	205	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 2025/26 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 2025/26

- 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, 11 reports were finalised, the profile of the assurances is as follows:-
- Four audits were assigned "Adequate" Assurance;
 - Four audits were assigned "Limited" Assurance
 - One audit was assigned "Nil" Assurance; and
 - Two audits were consultancy audit and not given an assurance.
- 8.2 For further details of the audits, please refer to Appendix B.

8.3 The nature of the service and key residual risks arising from review are noted below.

- Compliance with Management of Agency Staff - “Adequate” Assurance
- Arrangements for the Acquisition and Disposal of Assets - “Adequate” Assurance
- Digital Transformation – Resident Connect Project - “Adequate” Assurance
- Business Rates Billing, Collection and Administration “Adequate” Assurance
- Cyber Security – Insider Threat Risk Management - “Limited” Assurance
- Arrangements for Improving Contract Management “Limited” Assurance
- High Road West Regeneration Scheme - “Limited” Assurance
- Management of Garages - “Limited” Assurance
- Governance over Delivery of Savings - “Nil” Assurance
- Compliance with Cost Control Measures – Advisory
- ICT Needs Assessment – Advisory

8.4 Key findings arising from the audit area assigned “Limited Assurance” are set out below.

Cyber Security – Insider Threat Risk Management – “Limited” Assurance

8.5 The objective of the audit was to assess and evaluate the design and implementation of controls over the key domains of third-party access, insider threat management, remote access security and monitoring and detection.

8.6 The auditors raised four recommendations; one “priority 1”, two “priority 2” and one “priority 3”. The key issues was a lack of a Security Operations Centre.

Arrangements for Improving Contract Management – “Limited” Assurance

8.7 The purpose of this audit was to assess the control in place at the authority for managing contracts. The audit noted that while the Procurement Code of Practice has been updated, the operational issues identified in 2024 - such as inconsistent contract monitoring, weak documentation, limited performance reporting, and unclear responsibilities - continued to appear in this audit. The audit reinforces that these problems stem from a lack of a corporate contract management framework, insufficient training, and fragmented systems. In particular, missing signed contracts, poor configuration of the Contract Register, and low awareness of the Procurement Act requirements demonstrate that the improvements made at a policy level have not yet translated into practice.

High Road West Regeneration Scheme – “Limited” Assurance

- 8.8 The purpose of this audit was to assess whether the High Road West (HRW) regeneration scheme has in place adequate and appropriate policies, procedures, and controls to oversee programme management and delivery. The programme has a sound governance framework, but weaknesses in core delivery controls (action tracking, change control and workstream reporting) reduce visibility and increase risk to delivery, particularly during the current restructuring phase.
- 8.9 The auditors raised four recommendations; two “priority 2” and two “priority 3”. The key issues were:
- Inadequate programme control architecture; and
 - No documentation outlining lessons learned.

Management of Garages – “Limited” Assurance

- 8.10 The purpose of this audit was to assess the control framework in place for the management of garages. This area has historically suffered from poor performance which has been subject to an improvement plan. A planned organisational restructure affecting the garages service was not fully implemented. Garage management forms part of the Council’s wider Housing and Estates function and relates to the provision, allocation, maintenance, and income collection associated with Council-owned garages. Garages are provided as a Council service to residents to support local parking and storage needs.
- 8.11 The auditors raised eight recommendations; two “priority 1”, four “priority 2” and two “priority 3”. The key issue was that garage voids not effectively monitored, prioritised, or managed. Moreover, where garage management data is inaccurate, incomplete, or not consistently reconciled across systems, there is a risk that rental income is not fully identified, garages are incorrectly recorded/classified as occupied, or voids and management decisions are made based on unreliable information.
- 8.12 The auditors noted the root cause as being that garage voids have been deprioritised relative to housing repairs activity due to greater regulatory pressures within housing services, combined with capacity issues and the absence of formal monitoring arrangements. Garage management data lacks consistency and reliability due to a fragmented and siloed service model, where responsibility for garage records is split across multiple teams/systems without clear ownership, standardisation or coordination.

Governance over Delivery of Savings - “Nil” Assurance

- 8.13 The purpose of this audit was to assess the design and effectiveness of the control framework for the Governance over Delivery of savings within the Council. It was noted the authority has a strategic objective to deliver a programme of savings and there were concerns over the progress of the identification and delivery of savings.

This risk based audit was to give assurance over the Council's corporate risk "CORP0001 – Maintaining and strengthening financial viability/balance across MTFP including failure to deliver identified savings".

- 8.14 The audit noted that new savings initiatives were actively discussed and developed during the 2025 budget planning cycle. These were formalised into Savings Proformas following engagement with key stakeholders, who assessed their feasibility and potential impact. Proposals deemed deliverable were subsequently approved by Full Council. However, the audit view was that the Council was not on track to meet its savings target for 2025/26 and there was insufficient documented evidence of regular review and robust challenge regarding progress against savings plan targets. The audit also noted the lack of robust monitoring mechanisms and accountability structures to scrutinise monthly savings updates and a fragmented accountability with delivery responsibilities spread across departments, making it hard to challenge centrally.
- 8.15 The auditors raised Seven recommendations; two "priority 2" and three "priority 2" and two "priority 3".

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

13 July 2026



Appendix B

London Borough of Haringey

Audit and Risk Committee

Forvis Mazars 2025/26 Summary Appendix
Prepared by: Forvis Mazars
Date: July 2026

Internal Audit Annual Report 2025/26

Contents

01

Internal Audit Work Undertaken in 2025/26

02

Benchmarking

Disclaimer
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01 Summary of the 2025/26 Internal Audit Plan

The table below lists the 2025/26 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
Compliance with Management of Agency Staff	10	29/05/2026	Adequate	3	0	2	1
FRAs	10	20/11/2025	Adequate	3	0	1	2
Street Lighting Contract Management	10	20/02/2026	Adequate	3	0	1	2
Arrangements for the Acquisition and Disposal of Assets	10	11/05/2026	Adequate	3	0	2	1
Digital Transformation Assurance - Residence Connect Project	15	16/03/2026	Adequate	5	0	3	2
Council Tax Billing, Collection and Administration	15	03/02/2026	Adequate	3	0	2	1
Business Rates Billing, Collection and Administration	15	31/03/2026	Adequate	5	0	2	3
Key Financial Controls - Bankline	9	04/03/2026	Adequate	4	0	3	1
HCBS – Contract Management	6	22/01/2026	Adequate	3	0	3	0
Virtual Schools	10	15/09/2025	Limited	11	1	5	5
Management of Leisure Services (incl Fees and Charges)	17	02/02/2026	Limited	10	2	6	2
Use of Business Intelligence Reports	10	30/07/2025	Limited	3	1	1	1
Cybersecurity - insider threat risk management	12	15/04/2026	Limited	4	1	2	1
Arrangements for improving contract management	10	08/05/2026	Limited	6	1	4	1
Management and Use of Contract Waivers	10	25/11/2025	Limited	6	2	2	2

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01 Summary of the 2025/26 Internal Audit Plan (continued)

The table below lists the 2025/26 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
Managing Housing Benefit Overpayments	10	09/12/2025	Limited	3	1	1	1
High Road West Regeneration Scheme	15	30/06/2026	Limited	4	0	2	2
Homes for Haringey – Property Management	15	11/05/2026	Limited	6	3	3	0
Management of Garages	12	02/07/2026	Limited	8	2	2	4
Governance over and Delivery of Savings	10	15/04/2026	Nil	7	2	3	2
HCBS – Property Management	15	30/04/2026	No Assurance	3	1	2	0
Compliance with Cost Management Measures (Spend Controls)	17	15/04/2026	Advisory	4	0	3	1
IT Internal Audit Needs Assessment	5	24/06/2026	Fact Finding	n/a	n/a	n/a	n/a
Voluntary Undertaking	21	02/09/2025	Advisory	n/a	n/a	n/a	n/a
KPI Assurance	25	10/10/2025	Advisory	n/a	n/a	n/a	n/a
Total				107	17	55	35

01 Overview of Internal Audit Plan 2024/25 completed in 2025/26

The table below lists the status of all reviews within the 2024/25 Plan and reported to the Audit Committees in 2025/26.

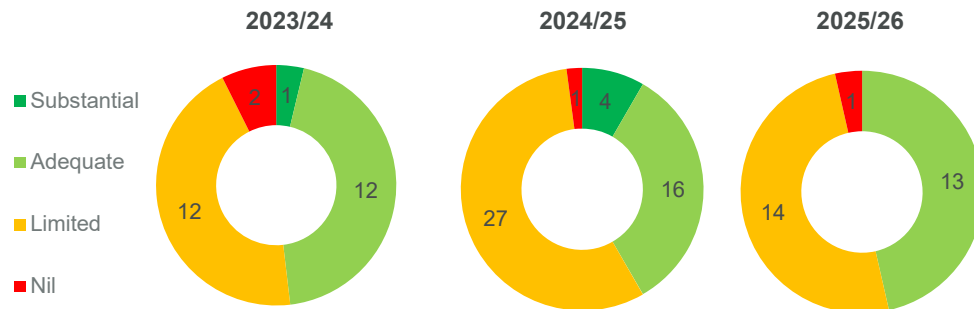
Audit	Days	Date of Final Report	Assurance Level	Total	Findings by Priority		
					1	2	3
Cyber Governance and Risk Management	10	September 2024	Adequate	3	0	3	0
Regulatory and Enforcement Services	10	June 2024	Adequate	7	0	2	5
Sickness Management	10	September 2024	Adequate	5	0	2	3
Disrepairs	10	September 2024	Adequate*	6*	0	1	1
Arrangements for Monitoring Contracts within Housing Services	10	September 2024	Limited	7	1	4	2
Management, Monitoring and Collection of Income	10	September 2024	Limited	5	3	2	0
Management of Green Haringey	12	September 2024	Limited	7	1	6	0
Responsive Repairs	16	September 2024	Limited	7	1	6	0
Lettings Fact Finding	12	September 2024	Fact Finding	N/A	N/A	N/A	N/A
Birchtree Fact Finding	10	September 2024	Fact Finding	N/A	N/A	N/A	N/A
Noel Park Pods Fact Finding	10	September 2024	Fact Finding	N/A	N/A	N/A	N/A
Total				47	6	26	11

*Given the recent implementation of the new Disrepair Protocol and the extended timeframe required to progress a disrepair claim from initial report through to completion and closure, our internal audit opinion is limited to the design of the control framework only. The recommendation total included 4 advisory recommendations which did not have a priority rating.

02 Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made at London Borough of Haringey.

Comparison of Assurance Levels

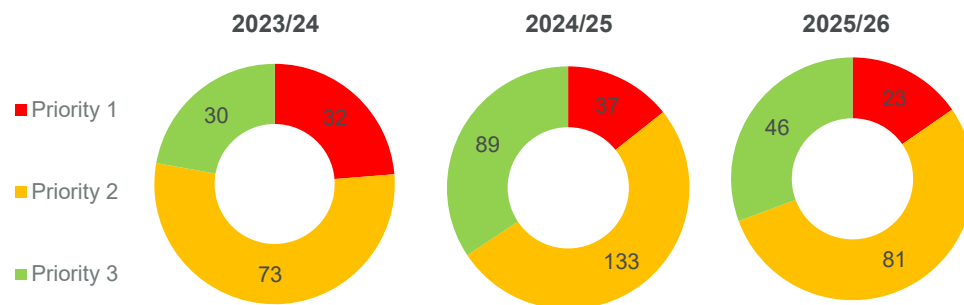


In 2025/26, 28 audits were completed where an assurance rating was given. 13 audits received 'Adequate' Assurance, 14 received 'Limited' Assurance, one received 'Unsatisfactory' Assurance, and one received 'No Assurance'. We also completed seven Advisory/Fact Finding reviews. This includes eight audits that were finalised in 2025/26 that began in 2024/25,

For comparison, in 2024/25, 32 audits were completed where an assurance rating was given. Four audits received 'Substantial' assurance, 14 received 'Adequate' assurance, and 14 received 'Limited' assurance. We also completed two fact find 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 2025/26 was 154 (which includes eight audits that began in 2024/25 but were finalised in 2025/26), which was a decrease in recommendations from 2023/24 where 259 recommendations were raised.

The proportion of Priority 1 recommendations increased slightly from 14% in 2024/25 to 15% in 2025/26, representing a 1% increase in the share of 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 2025/26 Summary Appendix

Prepared by: Forvis Mazars

Date: May 2026

Internal Audit Draft Annual Report 2025/26

Contents

This report summarises the outcomes of the 2025/26 schools internal audit programme, including findings, common themes identified across schools, and a summary of the follow up of 2024/25 school programme.

- 01** **Schools Internal Audit Activity 2025/26**
- 02** **Summary of the 2025/26 Internal Audit Plan**
- 03** **Benchmarking**
- 04** **Overall Assessment of Control and Recommendations Raised**
- 05** **Follow Up on 2024/25 School Audits**

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01 Schools Internal Audit Activity 2025/26

Below is a snapshot of the work we have carried out in relation to schools during 2025/26 including common themes and key actions raised.

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.

Common themes arising

The most common themes continue to be:

- **Governance:** Evidence of valid DBS certificates was not consistently maintained for Governors, with some certificates not renewed within the Council's recommended three-year cycle.
- **Procurement:** Invoices were not consistently paid within 30 days of the invoice date, with schools commonly citing cashflow constraints as the primary cause.
- **Procurement:** Procurement activities were not undertaken in line with quotation and tendering requirements, with insufficient evidence of competitive quotes obtained to supplier selection.
- **Information Governance:** Information Asset Registers, outlining the data collected and processed by the Schools, were not maintained in line with guidance issued by the Information Commissioner's Office.



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.

Key recommendations

The most common recommended actions included:

- **Governance:** Introduce a rolling three-year cycle for Governor DBS checks, monitored through the Single Central Record to ensure compliance and timely renewals.
- **Procurement:** Strengthen procurement controls by ensuring official purchase orders are raised prior to receipt of invoices for all goods and services. Obtain and retain sufficient quotations in line with local financial procedures and the Council's Financial Regulations. Long-standing contracts should be periodically reviewed to assess value for money and identify opportunities for more cost-effective alternatives. All procurement activity should be supported by centrally retained documentation.
- **Information Governance:** Establish and maintain an Information Asset Register that clearly documents the data held by the school. This should be reviewed and formally approved by the Governing Body on an annual basis.

02 Summary of the 2025/26 Internal Audit Plan

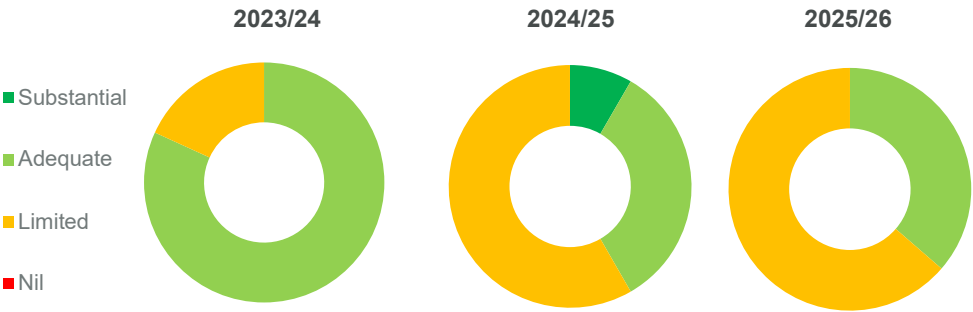
Detailed audit findings, recommendations, and management responses are set out in the individual audit reports. This table provides a summary of the total number of findings identified across all schools reviewed during the year.

Audit area	Days	Assurance level	Direction of Travel	Recommendations			
				High (Priority 1)	Medium (Priority 2)	Low (Priority 3)	Total
Campsbourne	8	Adequate	←	0	3	2	5
Mulberry	8	Adequate	↔	0	2	3	5
North Haringay	8	Adequate	←	0	1	4	5
Tetherdown	8	Adequate	←	0	3	5	8
Bruce Grove	8	Limited	←	2	4	4	10
Coldfall	8	Limited	←	2	7	5	14
St Martin of Porres Catholic	8	Limited	←	1	6	3	10
St Paul's Catholic	8	Limited	←	1	2	9	12
Riverside Special	8	Limited	←	1	5	2	8
Rowland Hill	8	Limited	←	1	4	4	9
Rokesly Infant and Nursery School	8	Limited	←	0	6	2	8
Risley Avenue	8	Deferred					
Hornsey School for Girls	8	Deferred					
Our Lady of Muswell	8	Cancelled					
			Total	8	43	43	94

03 Benchmarking

This section compares the Assurance Levels and categorisation of recommendations made in the schools' audits in 2023/2024, 2024/2025 and 2025/2026.

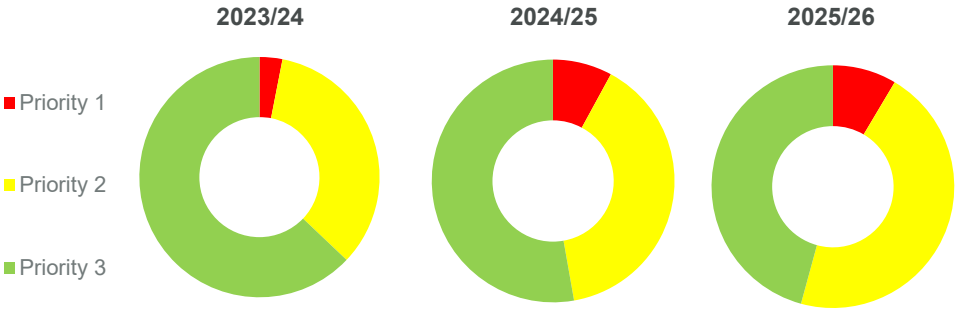
Comparison of Assurance Levels



Of the 11 completed audits in 2025/2026, four received 'Adequate' assurance, and seven received 'Limited' assurance.

The number of 'Adequate' and 'Limited' assurances remained unchanged, at four and seven respectively. However, the number of 'Substantial' reports decreased by one compared to FY24/25, which may partly reflect a reduction of one in the total number of audits completed during the period.

Comparison of Recommendation Gradings



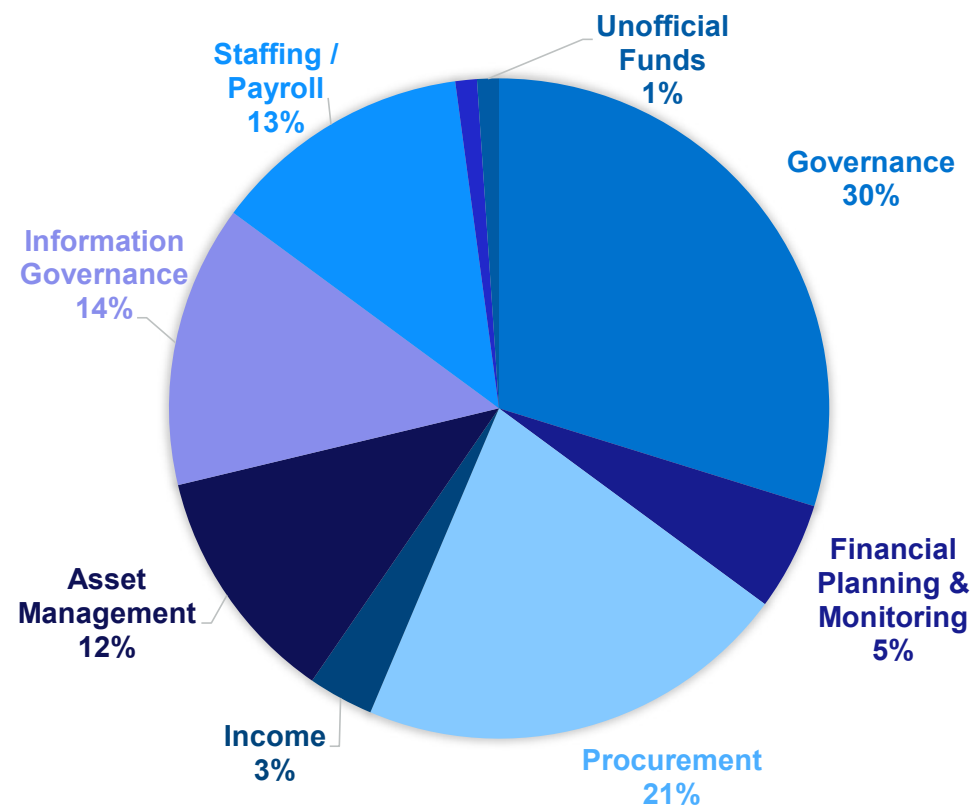
The total number of recommendations made in the year was 94. This represents a decrease of 32 from the prior year (126). The proportion of Priority 1 recommendations has slightly increase from 7.1% to 8.5% of total recommendations raised.

04 Overall Assessment of Control and Recommendations Raised

To further understand the nature of findings, recommendations have been analysed by control area to identify where the most common risks arise.

Area of Scope	Total	Recommendations Raised		
		1	2	3
Governance	28	5	8	15
Financial Planning and Monitoring	5	1	1	3
Procurement	20	2	11	7
Income	3	-	1	2
Asset Management	11	-	5	6
Information Governance	14	-	11	3
Staffing / Payroll	11	-	4	7
Income (Lettings, Breakfast and After School Clubs, School Meals Arrears)	1	-	-	1
Insurance and Health & Safety	-	-	-	-
Unofficial Funds	1	-	-	1
Totals	94	8	43	43

04 Overall Assessment of Control and Recommendations Raised



The analysis of recommendations by control area highlights that the highest volume of issues relates to Governance and Procurement, indicating that core oversight and compliance processes are not being applied consistently across schools. These areas underpin effective financial management and decision-making, and weaknesses here can have a wider impact on overall control environments.

A notable number of findings were also identified in Information Governance, Asset Management, and Staffing / Payroll, suggesting that operational processes and regulatory requirements are not fully embedded. While the majority of recommendations are medium and low priority, their volume indicates systemic weaknesses rather than isolated issues, with similar control gaps recurring across multiple schools.

06 Follow-up on 2024/25 School Audits

Summary table showing the progress schools have made in implementing recommendations from the 2024/25 plan

Follow up of 2024/2025 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
Belmont Junior	Limited	2	6	7	15	2	5	6	13	-	-	-	2	15
Chestnuts Primary	Limited	-	5	9	14	-	3	8	11	-	2	1	-	14
Crowland Primary School	Limited	3	4	8	15	1	1	4	6	7	1	-	1	15
Ferry Lane	Adequate	-	5	1	6	-	2	1	3	-	3	-	-	6
Highgate Wood	Limited	-	5	9	14	-	1	3	4	2	6	-	2	14
Lancasterian	Substantial	-	-	1	1	-	-	1	1	-	-	-	-	1
Park View	Limited	2	7	2	11	1	1	1	3	3	3	-	2	11
Rokesley Junior	Adequate	-	4	3	7	-	1	3	4	-	1	-	2	7
St Mary's RC	Limited	1	1	5	7	-	-	-	-	-	-	-	7	7
Welbourne	Adequate	-	4	5	9	-	2	2	4	1	2	-	2	9
West Green	Adequate	-	3	9	12	-	2	8	10	-	2	-	-	12
Woodlands Park	Limited	1	6	8	15	1	4	4	9	-	-	1	5	15
Overall Total		9	50	67	126	5	22	41	68	13	20	2	23	126

*This column relates to recommendations where the School have not provided documentation to evidence the implementation status within the follow-up fieldwork period.

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Appendix D - Anti-fraud



2025/26

Anti-Fraud 2025/26

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 2025/26 our planned work focused on Housing Fraud with proactive checks to prevent fraud and dedicated resources responding to reactive fraud referrals. Work continued to strengthen the council's response to Blue Badge Fraud and a project to automate the process continued. We also participated in all National Fraud Initiative activities including the launch of periodic dual worker data matching and the reintroduction after a number of years of social care data matching. Employee cases and Whistleblower reports were high which meant planned proactive projects were not completed. An additional resource has been added to the team at the end of the year to help clear a backlog of cases.

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	2023/34	2024/25	2025/26
Allocated budget for anti-fraud work	£506k	£521k	£551k
Number of staff (absolute and FTE) undertaking anti-fraud work	8 staff: 6 FTE	8 staff: 6.5 FTE	9 staff: 7 FTE
Number of staff of professionally accredited anti-fraud specialists	6 Staff	6 Staff	7 Staff
Total amount of time spent on the investigation and prosecution of fraud	1,047 days	1,235 days	1,3330 days
Total number of fraud cases investigated	801 (387 reactive cases)	870 (411 reactive cases)	896 (471 reactive cases)
Number of occasions powers under the Prevention of Social Housing Fraud Regulations have been used	65	78	60

Transparency Code 2015 requirements

Type of Activity	2023/24	2024/5	2025/26
Tenancy Fraud Cases	332	282	183
Employee Fraud / Whistleblowing Cases	17	31	27
Non Employee Fraud/ Whistleblowing Cases	1	3	8
Right to Buy applications	171	308	353
Blue Badge	38	95	253
Gas Safety & Proactive Tenancy Visits	105 85	35 55	2 0
No Recourse to Public Funds financial checks	42	61	55
Grant pre-payment checks	20	0	15
TOTALS	801	870	896

Anti-Fraud Outcomes 2025/26

Tenancy Fraud

The tables on the next slide contains information regarding caseload.

In 2025/26, **87** council stock properties had been recovered through the (reactive) investigations of the Fraud Team; this compares to **42** in **2024/25**. Circa **£7m** can be attributed to the recovery, or cessation, of fraudulent council and temporary accommodation tenancies.

In **2025/26** the referrals process has been reviewed with an aim of streamlining the process. The team received in excess of 250 referrals and 183 were accepted. 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. A new fraud referral form will be implemented in 2026/27 that should reduce the number of referrals received by the team and/or the time needed to consider the allegation.

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 2026/27.

The workplan for 2026/27 will include a continued focus on Housing Fraud and will include proactive tenancy fraud activity this will be supplemented by the use of data matching and intelligence from the National Fraud Initiative.

Tenancy Fraud 2025/26

	Open	Closed
Brought Forward at year start	452	
New referrals in year	183	
TOTAL OPEN	635	
Cases closed – no fraud		153
Cases closed – property recovered		87
TOTAL at year end		395

Anti-Fraud Activity & Outcomes 2025/26

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, 19 whistleblowing referrals were accepted under the policy during 2025/26, compared to two and six in the two prior financial years.

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 2025/26, the team closed 14 cases the outcomes are reported in quarterly reports, one of these cases was carried over from 2024/25 so 6 live cases have carried forward into 2026/27.

Anti-Fraud Activity & Outcomes 2025/26

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 7 referrals relating to employees in 2025/26. This is a reduction from the prior year where 31 cases were received, as a result of a spike in identification of dual working. The majority of these employee cases relate to dual working allegations so like any other type of referral where officers may be implicated, 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 2025/26

Right to Buy Applications

In 2025/26, 60 applications were withdrawn or refused either following investigations and/or failing to complete money laundering processes. This compares to 49 in 2024/25 and 111 in 2023/24. The equivalent of 0.6 full time investigator undertakes this work to ensure that money laundering and fraud are not present in the sales of properties. Overall, the 60 RTB applications withdrawal or refusal represents circa £6m in potential RTB discounts; and means the properties are retained for social housing use.

There was a spike in applications following the announcement to reduce the discounts in 2024/25 cases still filtering through the process. At year end circa 453 applications were in the process with 73 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, 55 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 2025/26

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 this work continues into the new year.

DPA requests/Information requests

The team have again 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 in 2023/24 to focus on Blue Badge Fraud, in total 389 cases have been accepted, 253 in year as the focus of work was enforcement sanctions. Over the course of the project six cases have been prosecuted and others are in at interview stage or with legal. Work to automate and streamline the process is in progress which will help optimise outcomes from the work.

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. Activity and outcomes are included in quarterly reports.

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 in 2025/26.

In prior years council properties were recovered from a proactive to identify unknown voids using other council data sets, this work was replicated in 2025/26 and this demonstrated much better control and process in housing over data and death list. . There are a further 82 still being investigated or recovery actioned. Recent social services data matching, via NFI, was also positive in that there were only circa 30 cases flagged and the majority had already been identified by management.

Squatting

This has been a risk area that has increased significantly in the last couple of years, 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 2026/27 but much of the criminality involved falls outside of the team's jurisdiction. Housing have increased work with legal and the police to tackle the issue. All cases are reviewed from an employee fraud perspective.

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Internal Audit Quality Assurance and Improvement Programme



2021–2026



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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 Principle 8 (Quality Assurance and Improvement Programme) within the Global Internal Audit Standards (GIAS) 2025 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 Global Internal Audit Standards (GIAS);
- ✓ Performs its work in accordance with its Charter (which is consistent with the GIAS);
- ✓ 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.

GIAS Standard - 8.3 Quality

A QAIP covers the entire spectrum of assurance, consulting and fraud / irregularity work performed by the internal audit activity in accordance with the Principle 8 (Quality Assurance and Improvement Programme). To implement the Standard, at least annually, the Chief Audit Executive must communicate the results of the internal quality assessment to the board and senior management. The results of external quality assessments must be reported when completed. In both cases, such communications include:

- The internal audit function's conformance with the Standards and achievement of performance objectives;
- If applicable, compliance with laws and/or regulations relevant to internal auditing; and
- If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.

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 Audit Committee;

Internal Audit Quality Assurance and Improvement Programme (QAIP) Framework

- ✓ High priority recommendation monitoring process in place to ensure implemented; and
- ✓ 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 Audit 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 GIAS and annual review of compliance against the requirements of the QAIP, the results of which are reported to Senior Management and the Audit Committee;
- ✓ Feedback from Director of Finance and Chair of the Audit 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 Audit 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 Audit Committee. Changes reported as they arise during the year. Provision of an internal audit service in compliance with the GIAS including reporting audit opinion on the internal audit, risk management and governance as set out in the Audit 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 Audit 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 Audit Committee.
Priority Recommendations Where a priority 1 or 2 recommendation is raised, the recommendations are followed up and reported to the Statutory Officers Board and the Audit 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 Audit 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 Audit 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 Audit 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 Completed
7.	PSIAS – External Assessment The external assessment for compliance with the Public Sector Internal Audit Standards is overdue. Report this to the Audit 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

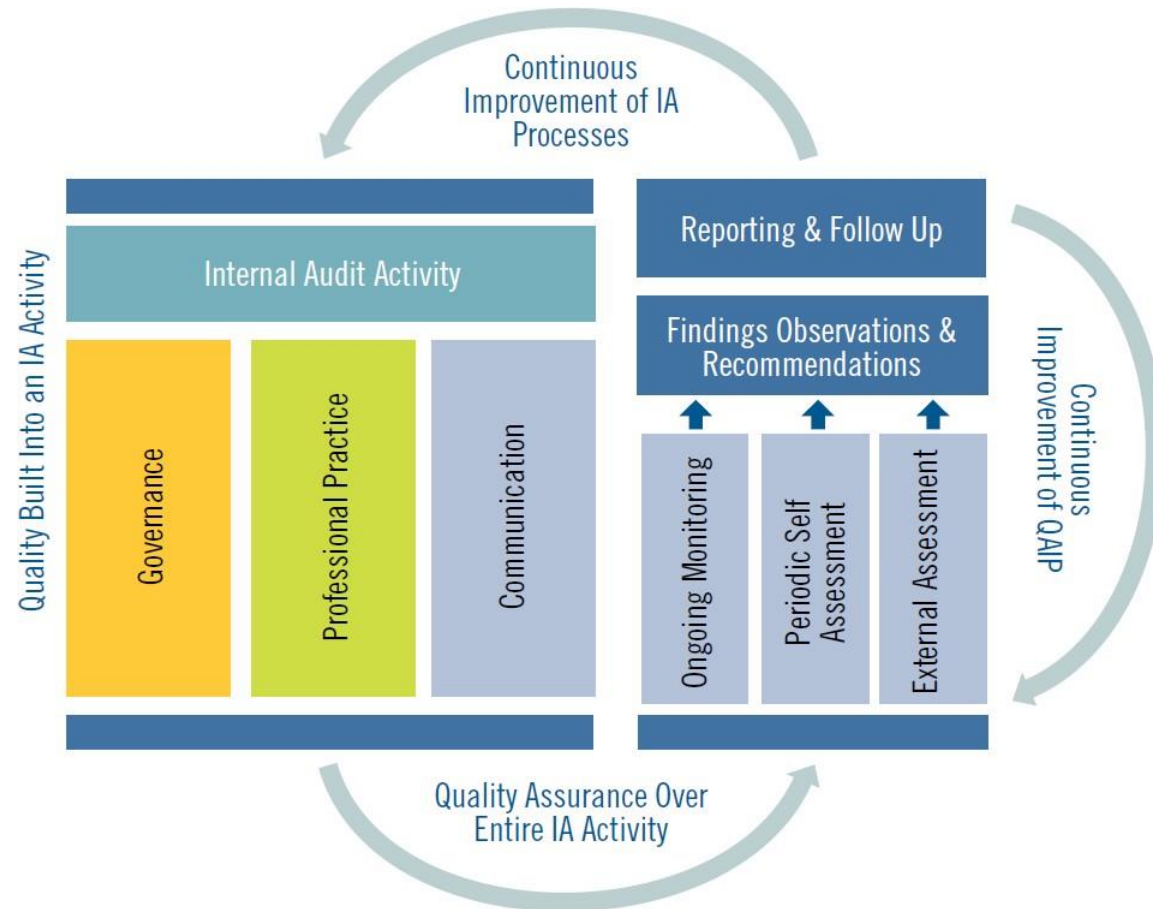
	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
9.	In-Case Anti-Fraud System The new system has been implemented and replaces the Civica system which had numerous short comings. The new system needs to be bedded in to maximise its benefits. In addition, consider the use of IDIS to offer data matching and proactive fraud system benefit.	CIA	31 March 2023 Completed
10.	Delivery of Audit Plan Covid has disrupted the timely delivery 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 Completed
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 Completed
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 2026 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 Completed

	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 Completed
22	Prepare for External Assessment Procure an external assessor to perform a review in line with GIAS.	CIA	31 Mar 2027 Completed

Appendix 3: Internal Audit QAIP framework.



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Report for: Audit Committee – 23rd July 2026

Item number: 11

Title: Treasury Management Outturn Report 2025/26

Report authorised by: Taryn Eves, Corporate Director of Finance & Resources (Section 151 Officer)

Lead Officer: Sam Masters, Head of Finance – Treasury Management 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 2025/26 was approved at a full Council meeting on 3rd March 2025. 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 for the 12 months ending 31st March 2026, 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 2026 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 2025/26 on 3rd March 2025.

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. The financial year was largely dominated by two periods of significant uncertainty and volatility. The first being the US trade tariff 'Liberation Day' in April 2025 and the second was the US/Israel war with Iran at the end of February 2026.

6.8. After the initial fallout from US trade tariffs, the following months saw some improvements as equity markets made gains and bond yields eased modestly. However, in the UK this trend in bond yields reversed somewhat as an uncertain economic outlook together with concerns around the government's fiscal position and autumn Budget saw 'term premia' rise as investors demanded a higher return for holding gilts.

- 6.9. The Budget itself was more muted than had been expected. Despite a weak economic outlook, this helped UK markets perform better with gilt yields trending downwards, inflation easing, and expectations for cuts in Bank of England (BoE) Bank Rate increasing.
- 6.10. The end of February 2026 saw the start of the war between US/Israel and Iran. The conflict caused oil and other commodity prices to rise sharply as the shipping lanes in the region became effectively closed, restricting global oil supply. At the end of the period, the economic outlook remained highly uncertain in terms of its impact on inflation as well as countries' fiscal and monetary policy conditions around the globe.

Borrowing Activity

- 6.11. 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.
- 6.12. Gilt yields slightly decreased over most of the period; reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK governments fiscal position following tax rises in the autumn budget. Subsequent to the war in the Middle East however, gilt yields saw a rapid rise to above the yield at the beginning of the financial year.
- 6.13. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.72% at the end. The lowest available 10-year maturity certainty rate was 5.13% and the highest was 5.88%. Rates for 20-year maturity loans ranged from 5.71% to 6.37% during the period, and 50-year maturity loans from 5.46% to 6.24%. The cost of short-term borrowing from other local authorities has been similar to or a little above the Base Rate for most of the period, with interest rates between 4.0% and 4.5%. However, as is commonly seen, rates rose higher towards the end of the financial year, with rates of 5.0% - 7.0% being seen.
- 6.14. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,141.9m in loans on 31st December 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.
- 6.15. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,213.4 million in loans on 31 March 2026, an increase of £232.1 million compared to 31 March 2025.
- 6.16. 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

- 6.17. 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.
- 6.18. 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 £184.3m due to timing differences between income and expenditure. The investment position on 31 March 2026 is shown in Table 5 in Appendix 1 to this report.
- 6.19. Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025 and to 3.75% in December 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.70% and 4.45% and money market rates between 3.6% and 4.5%.
- 6.20. 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
31.03.2025	4.95	A+	100%	1	4.52%
31.03.2026	4.30	AA-	62%	1	3.75%
Similar Local Authorities	4.62	A+	80%	192	4.29%
All Local Authorities	4.60	A+	64%	10	4.46%

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

- 6.21. 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.
- 6.22. The Corporate Director of Finance and Resources reports that all treasury management activities carried out during the period complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy with the exception of lease levels in comparison to the Operational Boundary and Authorised Limit as detailed in section 8 of Appendix 1, which was also reported in the Quarter 3 monitoring report earlier in the year
- 6.23. A detailed assessment of the Council's compliance with the agreed upon Treasury Management Indicators can be found in section 8 and 9 of Appendix 1 to this report.

7. Contribution to Strategic Outcomes

- 7.1. Borrowing at affordable levels underpins the delivery of the Capital programme. If the cost of borrowing rises beyond certain levels, capital schemes will become non-viable. Additionally, the generation of investment income is also crucial to managing the overall cost of capital to the Council.

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.

Director of Legal and Governance [Haydee Nunes de Souza, Head of Legal Service]

- 9.2. The Head of Legal Services has been consulted in the preparation of this report. The report 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. The Council's Constitution, at Part 3, Section B – Responsibility for Functions provides that the remit of the Audit Committee includes consideration of reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code and reviewing and monitoring treasury management arrangements in accordance with Treasury Management in the Public Services: Code of Practice.
- 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 2025/26

11. Background Papers

- 11.1. None

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Appendix 1 - Treasury Management Outturn Report 2025/26

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 2025/26 was approved at a full Council meeting on 3rd March 2025. 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. The financial year was largely dominated by two periods of significant uncertainty and volatility. The first being the US trade tariff 'Liberation Day' in April 2025 and the second was the US/Israel war with Iran at the end of February 2026.
- 2.2. After the initial fallout from US trade tariffs, the following months saw some improvements as equity markets made gains and bond yields eased modestly. However, in the UK this trend in bond yields reversed somewhat as an uncertain economic outlook together with concerns around the government's fiscal position and autumn Budget saw 'term premia' rise as investors demanded a higher return for holding gilts.
- 2.3. The Budget itself was more muted than had been expected. Despite a weak economic outlook, this helped UK markets perform better with gilt yields trending downwards, inflation easing, and expectations for cuts in Bank of England (BoE) Bank Rate increasing.
- 2.4. The end of February 2026 saw the start of the war between US/Israel and Iran. The conflict caused oil and other commodity prices to rise sharply as the shipping lanes in the region became effectively closed, restricting global oil supply. At the end of the period, the economic outlook remained highly uncertain in terms of its impact on inflation as well as countries' fiscal and monetary policy conditions around the globe.
- 2.5. Prior to the start of the war, headline UK consumer price inflation (CPI) inflation had generally been trending downwards, albeit the 3% in February 2026 was unchanged from January. Core CPI also stayed put at 3.1%. Inflation was expected to fall further over the coming months to the BoE's 2% target, but the war changed this. Inflation is now expected to rise again, but how quickly and by how much depends on the duration of the war and how long commodity prices are elevated.
- 2.6. The Office for National Statistics (ONS) reported the UK economy expanded by 0.1% in Q4 2025. This followed previous modest gains of 0.2% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP showed no growth in January 2026. As this is from before the war started the impact on growth will not be seen formally in the data for a couple more months.
- 2.7. While the most recent labour market figures were slightly better than expected, the general trend has been one of persistent weakness. In the three months to January 2026, the

unemployment rate rose to 5.2% (from 5.1%), while the employment rate held at 75.1%. Despite inflation being expected to rise in the coming months, labour market conditions remain loose and so any upward pressure on wages from general inflation is likely to be tempered by the weaker labour market environment.

- 2.8. After cutting Bank Rate to 3.75% in December 2025, the BoE's Monetary Policy Committee (MPC) voted 5-4 to hold rates in February 2026 and then unanimously to do so again in March. Until the war started, financial markets were expecting Bank Rate to be cut to 3.5% at the March meeting. However, the conflict in the Middle East quickly changed this. The MPC noted the risks to both inflation and growth and indicated they could move rates either up or down depending on the conditions. Financial markets quickly responded to this by pricing in rate hikes.
- 2.9. Following the March MPC meeting, Arlingclose, the authority's treasury adviser, revised its central interest rate view and now predicts Bank Rate will be held at 3.75%. However, the conflict makes the outlook for rates highly uncertain. In the short-term the risks are to the upside with the chance of higher Bank Rate should the MPC decide it wishes to quickly quash potential second-round effects from higher inflation. Further out, if Bank Rate is hiked quickly, the pace and magnitude of subsequent cuts could take it far lower than was previously anticipated as policymakers add significant stimulus to a much weaker economic growth outlook.
- 2.10. The US Federal Reserve had been cutting rates over the period, reducing Fed Funds Rate target range by 0.25% at its December meeting to 3.50%-3.75%. At the three subsequent meetings, the rate was held at the same range. Policymakers noted that while inflation was elevated, economic activity had been expanding but the war with Iran made the path of monetary policy highly uncertain. Despite this, the Fed still suggested that further rate cuts were likely in 2026 and 2027.
- 2.11. The European Central Bank (ECB) has kept its key interest rates on hold since June 2025, maintaining the deposit rate at 2.0% and main refinancing rate at 2.15%. At its March 2026 meeting, the ECB noted the war in the Middle East had significantly increased uncertainty, creating upside risks for inflation and downside risks for growth, leading it to revise up its forecasts accordingly.

Financial markets

- 2.12. After declining sharply early in the financial year following the announcement of US tariffs, sentiment in financial markets had improved but equity and bond markets remained volatile throughout. However, the latter part of the period was dominated by the US/Israel war with Iran, which saw equity markets fall sharply, and bond yields rise as concerns over the inflationary impact from sharply higher oil and other commodity prices outweighed the flight-to-quality into government bonds often seen in conflicts.
- 2.13. Equity markets had been registering gains after the declines during the April sell-off, but the war reversed this and markets saw another sharp drawdown. Both the FTSE 100 and 250 fell by around 10% over the month from the start of the conflict to the end of the financial year.
- 2.14. The period saw significant volatility in gilt yields. The 10-year UK benchmark gilt yield started the year at 4.65% and ended at 4.86%. However, over this time the 10-year yield hit a low of 4.23% and a high of 4.95% in the space of a month. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.45% with a low and high of 4.92% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.01% over the 12 months to 31st March.

Credit review

- 2.15. Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.16. Earlier in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. Fitch later upgraded Clydesdale Bank and HSBC, but downgraded Lancashire CC and Close Brothers.
- 2.17. Moody's affirmed OP Corporate's rating at Aa3 In May 2025. Later in the period, Moody's upgraded Transport for London, Allied Irish Banks, Bank of Ireland, Toronto-Dominion Bank, DZ Bank, Nordea and HSBC and downgraded Close Brothers. In the last quarter of 2025 S&P upgraded Clydesdale Bank, Allied Irish Banks and Bank of Ireland, and assigned Warrington Council a BBB+ rating.
- 2.18. After spiking in April 2025 following the US trade tariff announcements, UK credit default swap (CDS) prices had trended down before picking up modestly in October and November. After declining again in December and into the new calendar year, they rose sharply once again when the war in the Middle East started. They were still elevated at the end of the period, but prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
- 2.19. Overall, European banks' CDS prices have generally been flatter and lower compared to the UK, as have Singaporean and Australian lenders while some Canadian bank CDS prices have remained elevated since the beginning of the period in part due to ongoing trade tensions with the US.
- 2.20. Financial market volatility is expected to remain, and CDS 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 2026, the Council had net borrowing of £1,213.4m 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	31.03.26 Actual £m
General Fund CFR	792.1	828.1
HRA CFR	626.8	736.9
Total CFR¹	1,418.9	1,565.0
Less: Other debt liabilities ²	(73.3)	(45.0)
Borrowing CFR - comprised of:	1,258.0	1,520.0
External borrowing	981.3	1,213.4
Internal borrowing	364.4	306.6

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 2026 and the change over the year is shown in Table 2 below.

Table 2: Treasury Management Summary

Type of Borrowing/Investment	31.03.25 Balance £m	Movement £m	31.03.26 Balance £m	31.03.26 Weighted Av. Rate %
Long-term borrowing	906.3	290.1	1,196.4	3.79%
Short-term borrowing	75.0	-58.0	17.0	4.27%
Total borrowing	981.3	232.1	1,213.4	3.80%
Short-term investment	0.0	0.0	0.0	0.00%
Cash and cash equivalents	13.6	67.7	81.3	3.75%
Total investments	13.6	67.7	81.3	3.75%
Net borrowing	967.6	195.8	1,132.1	

4. Borrowing Activity

- 4.1. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these 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 and it has no plans to do so in the future.

Borrowing strategy during the period

- 4.3. As outlined in the treasury management 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. Gilt yields slightly decreased over most of the period; reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK government's fiscal position following tax rises in the autumn budget. Subsequent to the war in the Middle East however, gilt yields saw a rapid rise to above the yield at the beginning of the financial year.
- 4.5. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.72% at the end. The lowest available 10-year maturity certainty rate was 5.13% and the highest was 5.88%. Rates for 20-year maturity loans ranged from 5.71% to 6.37% during the period, and 50-year maturity loans from 5.46% to 6.24%. The cost of short-term borrowing from other local authorities has been similar to or a little above the Base Rate for most of the period, with interest rates between 4.0% and 4.5%. However, as is commonly seen, rates rose higher towards the end of the financial year, with rates of 5.0% - 7.0% being seen.
- 4.6. On 15 June 2023, a new HRA PWLB rate was made available to qualifying authorities. The HRA rate which is 0.4% below the certainty rate is available up to March 2027. This discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans, providing a window of opportunity for HRA-related

borrowing and to replace the Authority's loans relating to the HRA maturing during this time frame.

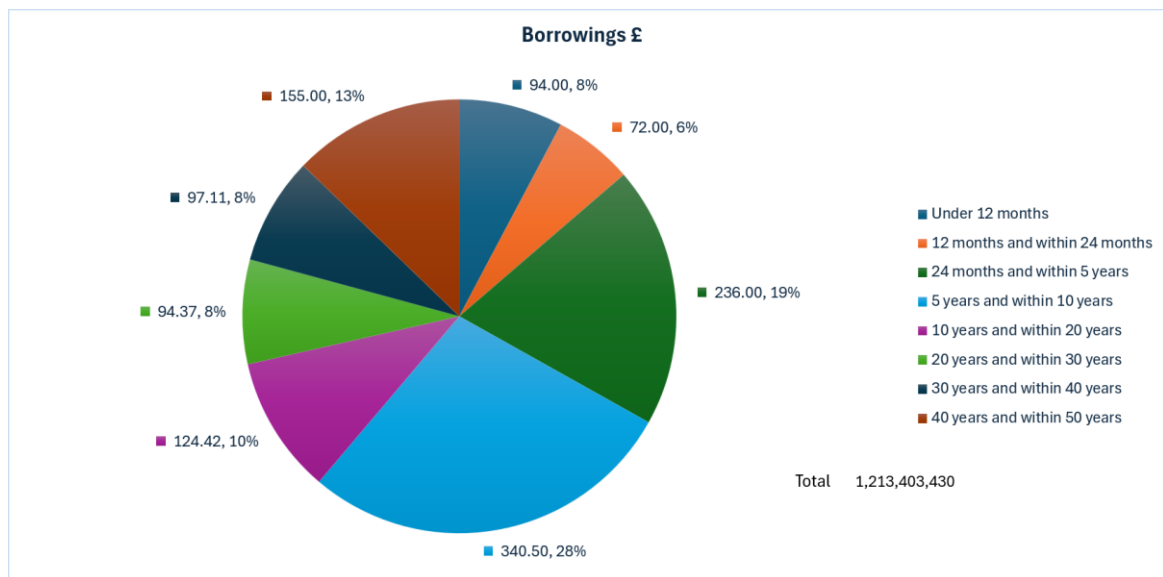
- 4.7. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,213.4 million in loans on 31 March 2026, an increase of £232.1 million compared to 31 March 2025.
- 4.8. The outstanding loans on 31 March 2026 are summarised in Table 3.

Table 3: Borrowing Position

Type of Borrowing	31.03.25 Balance £m	Net Movement £m	31.03.26 Balance £m	31.03.26 Weighted Ave. Rate %	31.03.26 Weighted Ave. Maturity years
Public Works Loan Board	806.3	340.1	1,146.4	3.75%	15.8
Banks (LOBO)	100.0	-50.0	50.0	4.73%	25.0
Local authorities	75.0	-58.0	17.0	4.27%	0.2
Total borrowing	981.3	232.1	1,213.4	3.80%	16.8

- 4.9. The Council has a significant capital programme that extends into the foreseeable future. A large proportion of this programme 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. Given the Council's financial position and reliance on EFS, during summer 2026, the Council will be reviewing its capital programme to identify schemes that can be paused / slowed down given that interest rates remain high, reliance on EFS remains high and forecast year on year increase on borrowing is not sustainable.

- 4.10. The maturity profile of the Council's borrowings on 31st March 2026 is shown in the chart below.



LOBO Loans

- 4.11. On 1st April 2025 the Authority held £100m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate and terms or to repay the loan at no additional cost.
- 4.12. During year the Council was able to successfully negotiate the repayment of £50m of those loans at a significant discount to the market value which was valued at £57m on 31st March 2025, by Arlingclose. The £7m represents a premium for the embedded options above face value. It is estimated that the early redemption of the loans will result in a cost saving to the Council of £227,000 over the next 3 years, inclusive of fees and charges, due to replacement borrowing from the PWLB being at a lower rate. The 3-year timeframe being the next option date of 2028.
- 4.13. As market interest rates have risen, there is an increased probability of call options on the LOBOs being exercised by lenders.
- 4.14. All LOBO loans the Council held at year end have 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.
- 4.15. Table 4 below details the Councils LOBO position as at 31st March 2026.

Table 4: 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	10/04/2026
FMS Wertman	10/04/2053	20,000	4.75%	0.5	10/04/2026
Dexia Credit Local	10/04/2043	10,000	4.75%	0.5	10/04/2026
Total borrowing		50,000			

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 are 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 £184.3m due to timing differences between income and expenditure. The investment position on 31 March 2026 is shown in Table 5 below.

Table 5: Treasury Investment Position

Type of Investment	31.03.25 Balance £m	Net Movement £m	31.03.26 Balance £m	31.03.26 Weighted Ave. Rate %	31.03.26 Weighted Ave. Maturity
Debt Management Office	0.0	31.3	31.3	3.70%	1 day
Money Market Funds	13.6	36.4	50.0	3.78%	1 day
Total Investments	33.9	67.7	81.3	3.75%	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. As demonstrated by the comparative borrowing and investment values in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments.
- 5.5. The Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025 and to 3.75% in December 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.70% and 4.45% and money market rates between 3.6% and 4.5%.
- 5.6. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 6 below.

Table 6: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Ave. Maturity (Days)	Rate of Return
LBH @ 31.03.2025	4.95	A+	100%	1	4.52%
LBH @ 31.03.2026	4.30	AA-	62%	1	3.75%
Similar Local Authorities	4.62	A+	80%	192	4.29%
All Local Authorities	4.60	A+	64%	10	4.46%

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

Bail-in exposure: the degree to which an investor's, creditor's, or depositor's funds are legally at risk of being written down or converted into equity to absorb a failing financial institution's losses.

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 7 below.

Table 7: Treasury Performance

	Actual	Budget	Over/under
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Borrowing costs	£m	£m	£m
General Fund borrowing	17.3	19.2	(1.9)
HRA borrowing	24.4	26.2	(1.8)
Total borrowing costs	41.7	45.4	(3.7)
Treasury investment income	(3.2)	(2.0)	(1.2)

- 6.2. The overall underspend is a combination of both lower borrowing costs and increased income from investments as balances have been higher on occasions in the year compared to the cashflow forecast when the budget was set. The £2.4m adverse movement since Quarter 3 is a result of higher than forecast payments in the final quarter, which is not uncommon given the nature of capital spend and the end of year also sees high volumes of invoices settled before the accounts are closed. There has also been a steady increase in borrowing costs across the year.

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 Ministry of Housing, Communities & Local Government (MHCLG) and Welsh Government, broadens the definition of investments to include all assets held partially or wholly for financial return.

8. Compliance

- 8.1. The Corporate Director of Finance and Resources reports that all treasury management activities carried out during the period complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy with the exception of lease levels in comparison to the Operational Boundary and Authorised Limit as detailed below, which was also reported in the Quarter 3 monitoring report earlier in the year.
- 8.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in Table 8 below.

Table 8: Debt Limits

	31.03.26 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied?
Borrowing	1,213.4	1,673.1	1,723.1	Yes
PFI and Finance Leases	45.0	12.7	13.9	No
Total debt	1,258.4	1,685.8	1,737.0	Yes

- 8.3. Although not classed as borrowing, the Council's PFI balances and finance leases decreased 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 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	2025/26 Target	Complied?
Portfolio average credit score	AA-, 4.30	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	2025/26 Target/£m	Complied?
Total cash available within 3 months	81.3	30.0	Yes

Interest Rate Exposures

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

	31.03.26 Actual	2025/26 Target	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£0.7m	£2m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£0.7m	£2m	Yes

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

- 9.6. For context, the change in PWLB interest rates during the period:

	31.03.26 %	31.12.25 %
Bank Rate	3.75	3.75
1-year PWLB certainty rate, maturity loans	5.04	4.37
5-year PWLB certainty rate, maturity loans	4.28	4.78
10-year PWLB certainty rate, maturity loans	5.72	5.34

20-year PWLB certainty rate, maturity loans	6.23	5.88
50-year PWLB certainty rate, maturity loans	6.08	5.69

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:

	31.3.26 Actual	£m	2025/26 Upper Limit	2025/26 Lower Limit	Complied?
Under 12 months	7.7%	94.00	50%	0%	Yes
12 months and within 24 months	5.9%	72.00	40%	0%	Yes
24 months and within 5 years	19.4%	236.00	40%	0%	Yes
5 years and within 10 years	28.1%	340.50	40%	0%	Yes
10 years and within 20 years	10.3%	124.42	40%	0%	Yes
20 years and within 30 years	7.8%	94.37	40%	0%	Yes
30 years and with 40 years	8.0%	97.11	50%	0%	Yes
40 years and within 50 years	12.8%	155.00	50%	0%	Yes
50 years and above	0.0%	0.00	40%	0%	Yes
Total	100.0%	1213.40			

- 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.

	31.03.26 Actual	2025/26 Limit	Complied?
Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing	1.40%	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:

	2025/26	2026/27	2027/28
Actual principal invested beyond year end	nil	nil	nil
Limit on principal invested beyond year end	£5m	£5m	£5m
Complied?	Yes	Yes	Yes

Report for: Audit Committee – 23 July 2026

Item number: 12

Title: Risk Management updated - Corporate Risk Register

Report

authorised by : Taryn Eves, Corporate Director of Finance and Resources

Lead Officer: Minesh Jani, Head of Audit and Risk Management

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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 30 April 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 register is attached at Appendix A. The Corporate Leadership Team last reviewed and discussed the risk register on 16 April 2026. In addition, the Leadership team welcomed a presentation from Zurich on the industry best practice in respect of risk management at its earlier meeting where the Corporate Leadership Team was engaging and the presentation led to a good discussion and deep dives into a number of corporate risks. Key points arising from that meeting are captured within the corporate risk register. The profile of the Council's residual risk is shown in the table below.

IMPACT	Catastrophic (5)			6, 8, 16	2, 9, 12, 15	1, 14, 10
	Severe (4)		4, 17(new)	5, 11, 13	18(new)	
	Material (3)			3		
	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 - Reduce the reliance on Exceptional Financial Support over the medium term changed from "Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings"** – this risk remains at the highest level and any failure to implement mitigating actions likely to result in the risk becoming an issue. The risk has been comprehensively updated, including for recent corporate actions requiring further checks over spend.
- **Risk 14 - The North London Heat and Power Project is a facility for the disposal/treatment of waste. NLWA are the statutory body for waste disposal and therefore technically the risk owner but operational and**

financial risks impact us and other boroughs in the NLWA jurisdiction and therefore it is a shared risk. This is a new financial risk to the corporate risk register recognised at the last CLT for inclusion on the corporate risk register. The risk concerns the significant projected overspend at the NLWA that may impact on the financial contributions required from the seven boroughs it serves from 2030.

- **Risk 10 – Building Control.** This is a risk added to the Corporate risk register in September 2025, and numerous mitigations explored and instigated. The Council's exposure has not improved. Recognising that staffing is an issue across the organisation, and the nature and number of other corporate risks, CLT directed the appropriate Directorate Leadership Team to manage this risk in future.
- **Risk 15 - The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The resulting government regulation of this policy will impact on the Council's statutory disposal point (Edmonton Energy from Waste (ERF) in terms of financial/operating set up may adversely affect cost of waste disposal.** This is linked to risk 14 highlighted above.
- **Risk 2 - Non-delivery of transformational change due to lack of corporate change functions.** Though the risk profile remains at the same level as previously reported, the delivery of planned savings remains extremely challenging. Internal audit reports and the work of the project management team has given a low level of assurance in this area.
- **Risk 9 - Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).** This risk remains as previously reported.
- **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. This risk remains unchanged and CLT agreed on further mitigations.
- **Risk 18 (new) - Potential exposure of employees, contractors or members of the public to asbestos-containing materials (ACMs), leading to harm, regulatory enforcement action, service disruption and reputational damage. Six HSE Improvement Notices issued.** This is a new risk raised by the service in respect of the management of asbestos within Housing services, exposing the authority to Health and safety risks, reputational and financial risks.

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”. This risk remains unchanged since the last report and continues to be carefully monitored and further mitigations have been put in place.
- **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”. This risk remains unchanged since the last report.
- **Risk 15 - Election Risk.** This was an updated risk for CLT to consider and recognising the risks associated with the management of local election in May ‘26. CLT noted a project board has oversight of this risk and continues to offer mitigations. This risk has now passed and will be removed from the next iteration of the corporate risk register.
- **Risk 4 - Potential health and safety incident affecting employees or member of the public.** The Impact is “5” and Likelihood is “3” and is unchanged since the last report
- **Risk 3 - Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.** CLT considered this risk and updates from recent actions will be captured for the next iteration.
- **Risk 5 - Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards.** This risk has been reduced from “15” to “12” with a slight reduction in the likelihood assessment. CLT sought assurances to understand the reason for a reduction and be satisfied improvements had been made. CLT was made aware of the new regime for monitoring and reporting compliance and the feedback from regular meetings with the regulator.

6.5 The Corporate Leadership Team also received a presentation and noted risks and mitigations in respect of the war between the US/Israel and Iran. Five risk areas were considered: -

Social Cohesion & Community Safety - The consequence of the conflict for "Place" in the form of Community Tensions between diverse community groups and a material increase in the need for Community Liaison work;

The inflation shock and energy spike – unbudgeted cost pressures for energy costs across the Council estate and the impact of increased fuel costs for managing fleets in Housing and across Social Care in particular.

Cost of living - More widely, the impact of increased energy costs on residents and the impact on local economy, employment opportunities and cost of living for residents;

Cyber Resilience - Iran-linked threat actors have moved from targeting Middle Eastern municipalities to Western ones as part of a "retaliation" strategy; and

Pension Fund volatility – renewed political and public pressure to divest from any firms linked to the defence industry or specific states involved in the conflict, creating a tension between "Fiduciary Duty" and "Ethical Governance". The revaluation risks where extreme volatility in the 2026/27 financial year can trigger "funding gap" concerns in also a risk.

Contribution to the Corporate Delivery Plan and 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.

7. Carbon and Climate Change

- 8.1 There are no direct Carbon implications arising from this report.

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

- 8.1 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 notes the contents of this report and will continue to support directorates in managing procurement and commercial risks identified within the Corporate Risk Register.

Strategic Procurement confirm there are no procurement-related matters arising from this report that would prevent the Audit Committee from approving this report.

- 8.2 **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.

8.3 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.

9. Use of Appendices

Appendix A – Corporate Risk Register as at 30 April 2026
Appendix B – Risk Management Guidance

10. Background Information

None

CORPORATE RISK REGISTER

Latest Review - April 2026

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	Reduce the reliance on Exceptional Financial Support over the medium term	CLT Corporate Director of Finance and Resources	5	5	25	Short and Medium term	The Council's financial position has deteriorated and the increase in reliance on EFS has increased from at least £37m in 2025/26 to £84m in 2026/27. A range of actions have been put in place and are under review to adopt an approach over the next three years to improve the Council's financial sustainability and reduce reliance on Exceptional Financial Support. During 2025/26 this has included: 1) Response and Recovery Plan with quarterly reporting to Cabinet and Overview and Scrutiny Committee 2) Establishment of emergency arrangements across the organisation, overseen by the Finance Recovery Board, Finance Recovery Team and Cabinet Recovery 3) An more intense focus on the delivery of approved savings, which is an area of improvement for Haringey 5) Improved forecasting, particularly with demand led services areas using performance and activity data and scenario planning which has led to less volatility in forecasts. 6) Regular comms and engagement with the senior leadership team. 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 and Senior Leadership Team meetings now dedicated to addressing the financial position. 7) Tightened spending controls through the Spending Control Panel that reviews all non essential spend over £1,000. The SCP will consider all non-essential spend and is more likely to reject these; there will be no appeals process. Directors will need to keep a record of decisions relating to payments they've approved that are deemed to not require SCP consideration, as these decisions are subject to review. 8) Stricter recruitment and extension controls of both permeant and agency staff. 9) All reports that led to spending over £25,000 to be approved by the Section 151 Officer 10) Review and restrictions on purchasing methods, such as P cards and One time vendors to improve compliance with No PO No Pay which is managed through the Purchasing and Compliance Board 11) Fully embedded Commissioning Board, chaired by the Section 151 Officer and quarterly updates on compliance against CSOs and areas of non compliance escalated to Directorates and Finance Recovery Board.	5	4	20	CLT Corporate Director of Finance and Resources	Future actions: The mitigating actions listed in the previous column must continue and none are yet completed / fully embedded. There needs to be a cross organisations approach to improve financial management compliance. Other specific actions include: :1) Structured comms and engagement of the new Finance Regulations, ensuring that all budget managers and senior officers understand roles and responsibilities and consequences for non compliance out in place. 2) Revised Financial Sustainability Plan prepared by the Chief Executive and Section 151 Officer that focuses on balancing the budget in year across the next three years. 3) Introduce external independence to the Finance Recovery Board for external scrutiny and challenge. 4) Respond to any recommendations from Auditors and Government as a result of external finance reviews. 5) Greater use of external benchmarking to align spend with statistical neighbours 6) Develop a mid year budget to deliver the new administration priorities within a smaller budget envelope, taking in year decisions where appropriate to reduce the in year use of EFS in 2026//27. This will include revenue reductions and restrictions on capital spend to reduce the need to borrow in year. 7) Full review of compliance and development of an action plan in line with the CIPFA Financial Management Code.	Apr-26
1	Reduce the reliance on Exceptional Financial Support over the medium term (Cont.)	CLT Corporate Director of Finance and Resources	5	5	25	Short and Medium term	12) Single point of governance for all commissioning and procurements over £160,000 through the Commissioning Panel, chaired by the Director of Commissioning and SME attendees and strengthened governance through a three way gateway process to challenge evidence and need before approval. 13) New governance process in place of the Capital Programme to bring more control and scrutiny of schemes in the programme with a more robust gateway approval process overseen by the Strategic Capital Board and chaired by the Section 151 Officer. 14) Further review of reserves and capital receipts to provide short term one off support to reduce reliance on EFS and where it is needed reduce the need to borrow. 15) Revised Financial Regulations agreed by Council strengthening financial management and clearer roles and responsibilities for accountability.	5	4	20	CLT Corporate Director of Finance and Resources		Apr-26
14	The North London Heat and Power Project is a facility for the disposal/treatment of waste. NLWA are the statutory body for waste disposal and therefore technically the risk owner but operational and financial risks impact us and other boroughs in the NLWA jurisdiction and therefore it is a shared risk. There are multiple risks within the project which are as follows: Failure of NLHPP supply chain due to contractor failure to engage suppliers, or economic and political climate Significant delays to ERF delivery beyond end 2026 due date. Could be caused by contractor performance such as issues arising during commissioning and the availability of sufficient specialist engineering and construction personnel. Transition process to deliver and operate new facilities may not be well managed across a number of partners and suppliers Risk of litigious contractor relationship Risk of loss of Environment Agency approval if the new Energy Recovery Facility does not fulfil the pre operational /operational conditions contained within the environmental permit	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	5	25	Medium/long term	This is a joint risk with NLWA and partner boroughs which is both operational and financial. Haringey continues engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: - Dir of Env't (monthly) - Dir of Finance (monthly) - Briefings provided to NLWA members prior to formal NLWA meetings (5x per year). - NLWA Member Recycling Working Group (4-5x per year) - NLWA Member Finance Working Group (2-3x per year) - NLWA/Borough officer meetings prior to formal NLWA meetings (5x per year)	5	5	25	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	Further delays and increased cost implications have resulted in exploration of additional control measures by Haringey.	19.03.26
14	The contingency that has been allocated to fund project exposure is insufficient due to cost escalations and design/programme uncertainty New (NLHPP) assets could prove more expensive to replace, operate and maintain than planned, affecting the Authority's long-term finances Borrowing to fund NLHPP might not be managed to obtain the best terms	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	5	25	Medium/long term		5	5	25	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	Further delays and increased cost implications have resulted in exploration of additional control measures by Haringey. The Corporate Directors for ERE and Finance along with the Chief Executive have raised concerns that the Technical Adviser role is being used inappropriately to undertake a deep dive into the overall programme management.	19.03.26
10	Building Control reforms • Newly-regulated profession to perform certain statutory functions • High levels of retirement across the country, major shortage of qualified staff nationally • Currently 3 qualified permanent staff, out of structure of 11 posts (vacancy of 73%) (as of July 2025). 1 senior officer left in July 2025. • Agency staff rates reaching extreme levels e.g. £95/hr, not sustainable • Risk of not being able to recruit & retain staff • Risk not meeting statutory requirements • Risk of failing audit inspection by the Building Safety Regulator (BSR)	Rob Krzyszowski	5	5	25	Immediate, short & medium term	• Staff achieved relevant qualifications and registration with BSR • Restructure completed in Spring 2025 following staff consultation, followed by advertising of all updated posts • Recruitment Team published videos and rolling adverts. Do targeted recruitment/headhunting as part of recruitment campaign • Head of BC – Market Supplement sought 10%, rejected, job evaluation, no change to grade • Team Manager – Market Supplement sought 55%, rejected by HR, job evaluation, increased grade • Senior RBI – Market Supplement sought 40%, approved 15%, approved 28% in March 2026 • RBI – Market Supplement sought 5%, approved 5% • As of November 2025March 2026, approved % Market Supplements have not attracted new candidates • Recruitment Team to work with Matrix to get more agencies with wider talent pool to work with Haringey for short term agency staff solution • 2x LABC Trainees (funded externally) now qualified and appointed into permanent post. 1x further LABC Trainee strained January 2026 • Workforce Plan 'Trailblazer' being drafted, presentation to Corporate Director July 2025, full draft January 2026 • Training some staff in Structural Engineering Team to support 24/7 dangerous structures emergency planning rota cover • HR to review out of hours / on call arrangements for HC contract staff – rejected but re-sending a full report to SOG March 2026	5	4	20	Rob Krzyszowski Denis Ioannou	Respond to upcoming MHCLG consultation referred to in letter from MHCLG/HSE/BSR in October 2025: "We also recognise that more needs to be done to support building control authorities to have sustainable levels of capacity and the ability to attract, train and retain building inspectors... we want to assure you that we are continuing with further reforms that will assist Local Authorities directly. This includes a consultation on LA fees and charges reform, which will be launched shortly, aimed at making LA building control financially and operationally sustainable, and the forthcoming report from the Building Control Independent Panel on the future of building control... We are also working with LABC to understand how we might enable further new staff to be recruited and trained as RBIs, as we have done in recent years" Seek review out of hours / on call arrangements for HC contract staff – rejected but re-sending a full report to SOG March 2026 Continue convening London Councils Directors/BC/HR Steering Group, sub-groups with recruitment/retention plans	Apr-26

10 (Cont.)	• Risk to safety & emergency critical work of the Council • Risk of not fulfilling 24/7 emergency planning / dangerous structures call out rota e.g. devastating fires, vehicles colliding into buildings etc • Risk of not coordinating Safety Advisory Group (SAG), signing off Building Safety Certificates & fulfilling Safety at Sports Grounds Act statutory obligations for major events with strategic partners e.g. Tottenham Hotspur Football Club Stadium events (crowds up to 65,000 people), Alexandra Palace events, Finsbury Park events • Risk of not providing advice to blue light emergency services including London Fire Brigade, Metropolitan Police for major events to support public safety • Risk of delayed Building Control approvals for Council corporate projects e.g. Civic Centre, Council Homebuilding programme • Risk of increased complaints and Ombudsman cases • Reputational and political risk MHCLG Building Control Independent Panel Problem Statement July 2025 "particularly concerned about evidence suggesting that building control bodies in local authorities... are struggling to recruit, This is particularly challenging for local authorities... Local authorities are at a disadvantage compared to the private sector when paying staff, as a combination of centrally and locally set rules and regulations prevent them from paying staff comparable	Rob Krzyszowski	5	5	25	Immediate, short & medium term	• Briefings for senior management e.g. Cabinet Member, CEO, Corp Directors of E&RE, F&R, CSC, Chief People Officer, Leadership Network (re Grenfell Tower disaster) • Convened London Directors of Planning & Building Control meeting June 2025. • Met with London HR Directors meeting. Now meeting regularly with London Councils HR Director regular & Steering Group to launch London-wide survey, recruitment campaign, possible agency rate cap, possible lobbying • Potential London CEO meeting • External support: Completed options workshop with independent consultant with north London Boroughs of Enfield and Waltham Forest • Met with Chair and Managing Director of Hertfordshire Building Control to explore options • Met with consultancy services firm to explore options • Proposed increased fees through corporate Fees & Charges • Quarterly Building Control performance is reported to Strategic Planning Committee – next one February 2026	5	4	20	Rob Krzyszowski Denis Ioannou		Jul-25
15	The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The resulting government regulation of this policy will impact on the Council's statutory disposal point (Edmonton Energy from Waste (ERF) in terms of financial/operating set up may adversely affect cost of waste disposal, or NLWA and partner boroughs fails to implement legislation in a way which maximises effectiveness and value for money.	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	4	20	Medium/Long Term	This is a joint risk with NLWA and partner boroughs which is both operational and financial. Haringey continues engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: - Dir of Env't (monthly) - Dir of Finance (monthly) - Briefings provided to NLWA members prior to formal NLWA meetings (5x per year). - NLWA Member Recycling Working Group (4-5x per year) - NLWA Member Finance Working Group (2-3x per year) - NLWA/Borough officer meetings prior to formal NLWA meetings (5x per year).	5	4	20	Corporate Director ERE and Corporate Director Finance	This is a joint risk with NLWA and partner boroughs. Engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: - Dir of Env't (monthly) - Dir of Finance (monthly) - Briefings provided to NLWA members prior to formal NLWA meetings (5x per year). - NLWA Member Recycling Working Group (4-5x per year) - NLWA Member Finance Working Group (2-3x per year) - NLWA/Borough officer meetings prior to formal NLWA meetings (5x per year).	19.03.26
2	Non-delivery of transformational change due to lack of corporate change functions	All	5	4	20	Short and Medium term	• Revised list of Cat A projects agreed with CDG, CLT and Members in May 2025. • Category A projects report to Change Delivery Group (monthly) and CLT (quarterly) as part of performance monitoring • Category A projects include a range of initiatives, some of which deliver Change (e.g. Civic Centre / new ways of working, London Borough of Culture etc), and others delivering savings. • Corporate change function delivers just under half of the current Cat A projects, with the remainder being directly delivered and managed by services. • Current funding for the change expires in Mar 26. A proposal to consider future funding arrangements has been developed for Corp Director F&R to consider.	4	4	16	Chief Digital & Innovation Officer	• A decision has been taken by CLT to 'step down' the Change Delivery group from the end of November. • From Dec 25 onwards, reporting of Cat A projects up to senior leadership/CLT will move to a quarterly basis. • DMTs and directorates will be responsible for providing monthly assurance across Cat A project progress, risks and issues for those Cat A projects where these do not have their own existing project governance (which occurs monthly). • Due to the uncertainty over funding, the team are continuing to experience staff turnover with a senior member now leaving (in addition to 3 others since July 26). • Confirmation on future funding is actively being sought here but until this has been confirmed, it will not be possible to put in place a sustained course of remedial action to reduce overall risk. • Funding was temporarily extended for the Change team from Apr 26 - Sep 26, to allow the Corporate Director of F&R to consider future options for any longer term Change function. At present no future options/proposals have been shared but these are due in the coming quarter and the risk status will remain 'as is' until the future arrangements have been confirmed.	Apr-26
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 Project delivery for climate related items in the CDP is owned by teams across the council	1. Haringey's Annual Carbon Report presented to Full Council in March capturing progress against Net Zero targets and key activity taking place in the borough to tackle climate change. 2. Adaptation and Resilience Plan was presented to Cabinet in Dec 25, led by Public Health. 3.Ongoing engagement with the community through the Haringey Climate Partnership, facilitating local climate action. Latest meeting held in February focusing on climate engagement and how people perceive and manage heat. 4) 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. 5) Wellbeing & Climate Corporate Board established to give governance and oversight to climate related activity across the council.	31-Mar-26
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. Agency costs have reduced substantially in the past 18 months, and permanent employee numbers have increased. Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required. Market supplements used where appropriate and justifiable to recruit/retain key roles. 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, run again for April 2026/27 with similar success	5	3	15	Chief People Officer	Directorate workforce plans are being developed, this will include specific retention and recruitment plans to ensure suitable resourcing and succession planning. Next tranche of plans will start alongside service planning in Autumn 2026 Introduce new employee benefits – salary sacrifice lease cars Run recruitment campaigns for c.100 roles, aim to replace current agency workers with permanent employees	December 2025 Ongoing Summer 2026 Start spring 2026, complete spring 2027

NEW (18)	Potential exposure of employees, contractors or members of the public to asbestos-containing materials (ACMs), leading to harm, regulatory enforcement action, service disruption and reputational damage. 6 HSE Improvement Notices issued.	Corporate Director Culture Strategy Communication CLT Corporate Director for Service/Team Corporate Landlord / Housing Leads	4	4	16	Short & Medium term	The Council has acknowledged the HSE findings and is working with the HSE to meet all compliance requirements. Asbestos Register being reviewed and updated for inspected sites. Temporary controls in place at high risk sites (restricted access, signage, encapsulation where required). Corporate Asbestos Management Procedure in place. Asbestos Management Plans in place for the Corporate Landlord Estate and Housing Estate. Directorate and Corporate HS&W Boards receiving regular updates on progress against the HSE notices. Commissioned external licenced asbestos contractors for surveying, air testing and removal works.	3	2	6	Corporate Director Culture Strategy Communication CLT Corporate Director for Service/Team Corporate Landlord / Housing Leads	•Work is in progress to carry out Site Specific Asbestos Management Plans for all 5 sites mentioned in the notices. Deadline 29/05/26. •Project is underway to remove the ACM's related to the immediate risk identified. Project is likely to finish in August 2026. Deadline 18/09/26. •Action Plan in place to review and undertake actions identified prior to the HSE inspections as well as review and ensure Site Specific Asbestos Management Plans and Priority Risk Assessments are in place for all our buildings where ACM's are present.	31/03/2027
16	Election risk Venue loss, Key staff unavailability, IT failure / cyber-attack, Process errors (inexperienced staff/candidates), Delay in replacing Monday.com, Political unrest / public distrust, Public discontent / mistrust of public bodies, Team fatigue / capacity. Fuel shortage/rationing	Returning Officer Head of Electoral Services	5	3	15	Immediate, short term	Venues: polling place evac plan details what to do in the event of a loss of polling place on PD. Other alt. venues documented to contact if necessary. Count plans shared with neighbouring boroughs to provide mutual aid / reciprocal arrangements in the event of venue loss. Staff levels: built up pool of experienced staff over recent years, reserve and stand-by staff roles identified and recruited to Staff skillset: Polling station staff to undertake detailed training (interactive video) followed by in-person role play. Key count staff to undertake detailed training and roll out to others IT/Cyber: Disaster recovery exercise held, plans being periodically refined and Digital leading on plans to limit impact of any loss to systems High volume & inexperienced candidates: Early contact, contact details provided for EC, RO briefings, early contact with print supplier re impact on ballot papers etc Security: RO receives security briefings and Chair of an EPB sub-group leads on the overall security for the RO. This sub-group meets regularly to monitor the situation Fuel shortages: Print supplier (main key-supplier) is based in Hornsey this reducing some impact. Contact being made with other key suppliers. Situation being monitored"	5	3	15	Returning Officer Head of Electoral Services	Continual reviewing of national political situation and amend plans, particularly security, as necessary Continue to work with suppliers re fuel shortage	
New (17)	Electoral Registration Risk Electoral register not complete or inaccurate; fraudulent applications to register to vote, for absent voting; registration applications not processed or missed; errors with processing due to staff fatigue, new systems	Electoral Registration Officer Head of Electoral Services	4	2	8	Immediate, short term	Full annual canvass completed inc. personal visits to all non-responding properties, data from council tax received weekly and imported to invite potential electors to register, email informational communication sent out in February to cleanse data / inform about the elections; postal voting re-application requirement undertaken; staff trained to escalate suspicious activities to management	4	2	8	Electoral Registration Officer Head of Electoral Services	Electoral registration hearings scheduled for key registration dates Ensuring all outgoing acknowledgements continue to be sent during peak periods and temporary staff trained on what to look out for / how to escalate	
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). • Immutable backups are in place for our data held in Microsoft, (OneDrive, SharePoint, Teams etc) with seven months worth of data. • Similar Immutable backups of Virtual Servers and Databases are in place. • 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. • Current (March 2026) world geo-political situation, has increased the likelihood of attacks by nation-state linked adversaries.	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 which has been extended for a year (expires December 2026 & not sophisticated) to improve our detection of "odd" events and as far as possible automate reactions, such as texting an on-call employee. - Implement a SIEM & SOC based on Microsoft Sentinel with round-the-world human response to triggers from the automation in MS, including contacting on-call Haringey staff; - Consider a more formal out-of-hours response rota of Haringey Staff. - Improve our knowledge and approach to Zero-Day vulnerabilities, as 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, most "open-AI's" are blocked by default. - Expansion of Cybersecurity Team to three members of staff will improve our ability to cover the workload.	31/03/2026
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	CHILDRENS - 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. Positive assurances have been achieved through the positive outcome of external inspections of Children's Services and the Local Authority Residential Unit, Haslemere Road.	5	2	10	Corporate Director of Children's Services Corporate Director Adults Housing Health	CHILDRENS Ensure thresholds clearly understood by all professionals, particularly in addressing those areas highlighted by recent inspection activity, for which specific action plans are being drawn up. 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

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	ADULTS - The CQC rated Safeguarding as 'Good'. They highlighted the recent changes made to pathways to improve the experience not meeting Section 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. More recently, the Local Government Social Care Ombudsman highlighted concerns around management and oversight safeguarding enquiries (and specifically of Police Reports) and hand-offs across Teams in Adult Social Care. A robust Safeguarding Adults Board (SAB), with experienced SAB Chair is taking forward the recommendations of the (Part 1) independent Review of the Safeguarding Adults Board, with a particular focus on assurance and multi-agency collaboration within a landscape of financial austerity, stakeholders expanding their 'footprint' across several Local Authority areas and changes in the Integrated Care Board. Multi-agency systems and pathways are in place and are being reviewed alongside policies, procedures and multi agency workforce development. The work of the SAB Team in Adult Social Care is being reviewed by the newly appointed Principal Social Worker, with focus on recruitment of a new SAB Manager and will ensure the Council has enough capacity to facilitate work around Safeguarding Adult Reviews and embed associated learning internally and across the SAB stakeholders.	5	2	10	Corporate Director of Children's Services Corporate Director Adults Housing Health	ADULTS The Independent Review of Safeguarding (Part 2) will be progressed through internal governance in May 2026 and, aligned to our Review of the ASC Front Door and Digital improvements across the Service, will focus on 'Making Safeguarding Personal' principles and on clearly defining ASC statutory functions and responsibilities. This progress will report into the SAB and the ASC Programme Board and ASC Improvement Board and will incorporate: * A review of all Policies and Procedures around Safeguarding and a series of Mandatory Training workshops for all staff * Weekly Safeguarding Review Implementation meetings, chaired by DASS to capture progress and monitor performance, progress and for temperature check as to staff resilience * Weekly reflective sessions with staff to ensure that front line staff's views and experience inform future practice and learning - chaired by Deputy DASS * Improved Governance through the ASC Programme Board and imminently new ASC Performance Board.	31/3/25
5	Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards	Corporate Director Adults Housing Health	4	3	12	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.	3	2	6	Corporate Director Adults Housing Health & Housing and Operational Director - Housing & Building Safety	Mitigating actions to achieve target include planned internal works, Fire Door Replacement and Electrical Works and a programme of validation surveys. We have implemented a rolling Stock Condition Survey in September 2025 surveying 20% of the stock each year. The procurement of four new Partnering Contracts to deliver £570m work over 10 years has been completed with the revised Contract Award approved in October 2025, Section 20 consultation completed in December 2025, with final approval in January 2026. 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 LQLER) modules are set up on the new compliance system, with full inspection programme information uploaded. Actions are being picked up from inspection documents and being managed through C365. KPI dashboards have been developed and show the live position and have been in place since December 2025 will be used from December. KPI data is now taken directly from C365 for all 6 compliance areas. Manual reconciliations currently taking place between the programmes and NEC. System upgrades subject to extending the contract with NEC are required in order to enable automating reconciliation between the two systems. This is being prioritised as part of our digital improvement programme. We are continuing to develop mobile forms for Communal Fire Door inspections and monthly Building Inspections to enable digital updates into C365 directly from hand-held devices. This is additional work outside of our core requirements.	
5 (Cont.)					12					6		The asbestos reports have all now been uploaded into C365 and we are in the final user acceptance stage of going live with the register in C365. This will then ensure all access to the register is through the system and all spreadsheets are discontinued as of 1st April 2026. 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. HQN have been commissioned to carry out an assessment of the actions within the plan against their recommendations from the mock inspection and the evidence against completed actions to provide assurance. Their findings following their first assessment have indicated there we have a robust framework in place to identify, implement and monitor actions to meet the HQN recommendations and that significant, positive progress has been made in delivering the improvements identified by HQN. Work on the housing inspection action plan continues. Additional work to enhance reporting on smoke detectors and Carbon Monoxide detectors as part of the primary compliance KPIs is continuing. Both modules have been created in C365, and we are now in the process of uploading historical certificates from SharePoint so that KPI data can be extracted. Once this has been completed, the KPI report can be updated to include these figures. Changes to the Repairs Management structure have been implemented with permanent Team managers now appointed. This initiative is to reduce costs, improve efficiency, and achieve better value for money. A timescale of 6-months was agreed when the report was agreed.	Dec 2025
5 (Cont.)					12					6		A costed proposal for the next phase has been received and is being evaluated to determine next steps. Following the agreement with Unions and the workforce to revise the current delivery model, it has been decided that time is required to bed in the new ways of working and to undertake a further VfM review of the new delivery model after a full year of operation to allow for the improvements to be fully realised. An appropriate update and revised recommendation in this regard to Cabinet will be provided in Summer 2026. Work is continuing on procurement of a supply chain for the short and longer-term to support out in-house delivery and ensure future repairs are delivered in line with policy commitments and improve both jobs completed in target time and customer satisfaction. A Damp and Mould CRM system project to provide better reporting and understanding of all cases that have damp and mould is being developed and implemented which will also ensure we are compliant with the new Regulations under Awaab's Law. The Awaab's Law processes in the damp and mould CRM system have been designed and launched and monthly reporting on Awaab's Law cases is in place to Repairs Board.	Dec 2025

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. Appropriate governance is now established . 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. with recent audits providing assured feedback 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.	31/12/2026
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 within Neighbourhoods will be a key component of our phase 2 development of Localities, aligned to the Independence and Early Intervention Team .	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. This is of particular significance as the NCL ICB undergoes its merger with NWL ICB. Involvement in the development of Neighbourhoods as one of the integrator organisations for Haringey along with Whittington Health and Haringey GP Federation. Clearer pathways and processes under development to ensure continuous learning opportunities related to integrated care practices and system navigation. Workshops with Health, VCSE and our residents focused on hospital avoidance and follow up workshops with Whittington Health have identified key actions which would enable us to address performance in hospital discharge - strong collaboration with our Integrated Care Team, Housing, Brokerage and Commissioning. Additionally, our ASC Improvement Board, Borough Based Partnership, and Health and Wellbeing Board are overseeing and supporting continuous improvement in this area..	10/04/2026
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
4	Potential health and safety incident affecting employees or member of the public.	Corporate Director Culture Strategy Communication CLT	4	2	8	Short & Medium term	Health and Safety policy in place, and a comprehensive set of risk-based procedures. Arrangements also in place for services to carry out risk assessments and assess risk exposure for staff. All incidents are reported and the H&S team monitor the incidents including incidents that are RIDDOR reportable (HSE) and/or are serious and requires a thorough investigation. A Corporate Health, Safety and Wellbeing Board is in place which receive reports from Directorate Health, Safety and Well Being Boards every quarter and receive information from the Health and Safety team. The H&S team also carry out a programme of audits and inspections and provide action plans to drive improvement. Training schedule in place and carried out quarterly to support the organisation in undertaking their H&S responsibilities.	4	2	8	Corporate Director Culture Strategy Communication CLT	•Implementation of the new H&S Strategy. •Review and update of the H&S Policy •Programme of review in place for procedures. •Risk Assessment repository devised and team risk assessments being requested from services/teams across the Council.	31/03/2026

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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 23rd July 2026

Item number: 13

Title: Anti – Fraud, Bribery and Corruption Progress Report Quarter 4 2025/26

Report authorised by: Taryn Eves – Director of Finance

Lead Officer: Minesh Jani – Head of Audit & Risk Management
Minesh.Jani@Haringey.gov.uk
07817 617839

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 quarter update on completion of the work plan for 2025/26. Please note the content of this report as well as the other three from the financial year will also be summarised in the 2025/26 Annual Internal Audit Report.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee is recommended to note the activities of the team during quarter four of 2025/26.

4. Reasons for decision

The Audit Committee is responsible for monitoring the effectiveness of the policies on Anti-Fraud, Bribery 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, Bribery & Corruption.

5. Alternative options considered

Not Applicable.

6. Background information

The information in this report has been compiled from performance data 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

There are no direct financial implications arising from this report.

9. Statutory Officers comments on behalf of Director of Finance & Resource and Director of Legal and Governance.

Corporate Director: Alex Altman - Business Partner 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.

Director for Legal & Governance: Michael Alexander Gordon – Principal Lawyer

This report was prepared pursuant to and in accordance with section 151 of the Local Government Act 1972 and section 6 of The Accounts and Audit (Amendment)(England) Regulations 2006. The Council's Head 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 5 January 2026 to 3 April 2026 and summarises the work of the Audit & Risk Service in relation to anti-fraud, bribery 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 and the outcomes communicated to Committee as part of the quarter one report.
- 12.3 The Fraud structure within the Audit & Risk Service consists of a Head and Deputy Head of Audit & Risk who has operational line management responsibility for six investigator posts filled by circa equivalent to five FTEs as two team members are part time/flexibly retired. In January 2026 an additional agency worker was approved and recruited into team to help meet work demands. Unfortunately, another team member was off sick following an operation so the benefit of the extra capacity will not be fully seen until 2026/27 reporting periods.
- 12.4 Fraud risk is considered when scoping all audit assignments, undertaken by Forvis 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 as well as intelligence from referrals 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 2025/26

- 13.1 There have been no changes to our fraud risk assessment in quarter four.

14. Anti-Fraud & Corruption Work Plan for 2025/26

- 14.1 The team's work plan this year includes proactive work relating to the areas outlined below, updates as at end of quarter three are included:
- **Temporary Accommodation** – our role in the proactive project to identify fraud has now ceased however the fraud case data is reported in 15.15.
 - **National Fraud Initiative (NFI)** – details later in this report 15.16.

- **Hidden Assets in Financial Assessments** this was a project agreed in 2023/24 – some work was undertaken, and this work was put on hold, whilst management tackled control issues which were barriers to successful data driven fraud work. The improvement work streams continue to be monitored. This will be a project that recommences in 2026.
- **Fraudulent payment of PCNs** – there are high numbers of PCNs paid using stolen card details which causes significant resource wastage for the council and could indicate organised crime in the Borough. Audit work to initially analyse this and put in more robust governance started in 2025/26 but requires engagement from services, which has proved challenging. This needs to be completed before any fraud resources can be allocated proactively on investigating, however the fraud team do deal with reactive referrals and data protection requests from banks and would support the services if any referrals for fraud were generated in this area.
- **Procurement** due to the fraudulent activity identified in 2023/24. A fraud risk analysis of all 2024/25 spend has been commissioned from Mazars to determine if other similar frauds have occurred and satisfy again the request from External Audit. Our work to analyse the outcomes is on-going but to date has noted none, however there was some non- compliance or poor practice that increases fraud risk in the Council, and we are working with Strategic Procurement on these and we reported concerns to the Procurement and Purchasing Compliance Board. Procurement related audit work is planned for 2026/27.
- **Squatting** – due to the criminality involved in Squatting and the links to the proactive and reactive housing fraud work we do, re illegal occupation, we continue to link with management from an audit and risk perspective with regards the threat of squatting in the Borough. We continue to look for indicators of internal corruption in this risk area as new cases of squatting are identified. There is limited capacity available to work on squatting and most of the identified offences occurring fall outside of the jurisdiction of the fraud team.
- **Death List** – the team continue to monitor the council's use of death list information through the insights gained from case investigation and the outcomes of NFI data matching. Significant improvements have been made in recent years but there is still a clear indication that some services are not ceasing services in timely fashion either due to process error or potential fraud. Currently the NFI and some targeted internal data matching enable the risks to be mitigated in this area. This will remain an area of focus in 2026.

15. **ANTI-FRAUD ACTIVITY**

- 15.1 The team undertakes a wide range of anti-fraud activity and has two 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 and legal processes the performance of the team in the last three years has return to pre covid levels of performance.

- 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	YTD	Annual Measure
Properties Recovered	14	87	50
Right to Buys prevented	12	60	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. For 2026/27 Housing have decided to align a post in their team fully with the fraud team's role, which will further boost the resources available to tackle fraud, this officer continues to be a link between fraud and housing services day to day. 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 is embedded and the Tenancy Management restructure is complete. It is hoped these process and control improvements, the additional resources in housing and the fraud team, will enable more robust proactive work to be completed, which will help to not only detect fraud but also deter it, in future. In quarter three we reported a backlog of housing cases not allocated in the team, but this has been resolved in quarter four via the additional resources.
- 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. The team undertake reviews of applications for Grant of Tenancy, Succession and Mutual Exchange and provide assurance to management who have to approve these applications. Of the 395 open fraud investigations 276 currently sit with other teams for action and 119 are live investigations with the fraud team. The team have two housing fraud prosecution cases ready to pass to legal, with a further two cases where prosecution is the central objective of the investigation plan.

15.7 Table 3 - Tenancy Fraud Activity and Outcomes

Opening Caseload	399	
New Referrals received	45	
Total		
Properties Recovered		14
Case Closed – no fraud/no recovery action possible		35
Total		(-)
Ongoing Investigations		395

15.8 Right-to-buy (RTB) applications

15.9 As of end of quarter four, there were 452 ongoing applications with 73 under investigation as part of the money laundering stage of the process. During the quarter, 12 RTB applications were 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. The applicants are served reminders, by 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. 20 new applications were received in this period; 43 ongoing applications remain in process awaiting re-valuation of the property value. 20 applications ceased for reasons other than the Corporate Anti-Fraud Team's direct intervention and 27 properties were sold.

15.10 Blue Badge Fraud

15.11 To date there have been 389 cases accepted as part of the fraud prevention project. Outcomes from cases to date:

- 92 closed, no further action.
- Six prosecutions.
- Two cases with legal.
- 76 cautions administered.
- 213 live cases – eight at interview under caution stage.

15.12 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. Capacity is hindering the outcomes of this work however there is an agreed

project to automate the process, and although the scope was reduced the improvements will reduce manual action and it is hoped this will be embedded by summer 2026. Having had a strategy of focusing the finite resources on the worst offenders and prosecuting them, since quarter three our emphasis has shifted to apply low level sanctions on a larger number of cases. The improved processes, and the increased capacity in the fraud team, should enable the resources to achieve both objectives in future years.

- 5.13 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. The income to the team from sanctions in 2025/26 was circa £16k.

15.14 Temporary Accommodation

- 15.15 The proactive project with Housing Demand has led to 15 referrals into the team. All have been closed, for four cases it was concluded fraud had occurred. Our proactive involvement in the project has ceased but referrals will continue to be accepted as part of business-as-usual processes in accordance with the fraud strategy.

15.16 National Fraud Initiative

- 15.17 During this quarter the data sets for Direct Payments and Residential Placements were uploaded to the NFI portal. Social Care data has been excluded from the NFI data matching for a number of years, so this is a positive support for local authorities in this risk area. It is noted that the outcome was positive with only circa 30 matches across both data sets. One Direct Payment case is being looked at by the fraud team, and the service are recovering circa £200k of overpayments identified by the exercise.
- 15.18 As noted above in the report the team continue to prioritise the death list related data matches due to the risk of fraud and despite having a backlog of cases in year, the additional resource in the team from January meant that all these cases were allocated for investigation. Data Matching identified 70 housing fraud cases which resulted in 13 recoveries and 1 application refusal; 13 cases remain live with the team and 24 with other teams for action. The remaining cases were closed with no fraud identified.
- 15.19 In 2026 there have been quarterly payroll, and agency worker matches within NFI to continue to work to protect the public sector from polygamous workers.

To date none of the matches generated by this activity have required fraud investigation beyond the initial intelligence checks to confirm the match. As noted later in the report cases of dual working are still being identified and reported to the team outside of data matching activities.

- 15.20 At the end of quarter four the financial outcomes from the 2025 exercise were reported to be circa £450k with £240k deemed to be recoverable.

15.21 Void Properties project 2023/24 update

- 15.22 As at end March 2026, seven cases remain open. three cases are now with legal and four with housing for action. Overall, 24 properties have been recovered, following the proactive data work of the team. The recoveries generated by this project are not included within the tenancy fraud performance.

- 15.23 The team repeated this data matching project again in 2026/27 and found no new unrecognised void properties to report to housing. This supports other assurances that the robustness of process relating to death of tenants have improved since 2023/24.

15.23 No Recourse to Public Funds (NRPF)

- 15.24 In quarter four, 15 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.

15.25 Ad hoc requests

- 15.26 The team deal day to day with many ad hoc requests from management for advice and guidance. They also respond to data protection information requests from other teams and public sector organisations. In quarter four the team have started to channel all requests through the newly implemented corporate system.

15.27 Internal Employee Investigations (excluding dual working and whistleblower referrals)

- 15.28 The Audit & Risk team are responsible to investigating all allegations of fraud, corruption, and financial irregularity against employees.
At the start of quarter four the team had four live employee cases. Three are criminal cases, one at the stage where the prosecution file has been passed to legal services. The other two the team are preparing for Interviews Under Caution; one is an ex-employee (there are also polygamous worker allegations included in this case). The fourth case is still in progress but at the reporting stage. During quarter four one new employee case was referred to the team and this matter was investigated and a report issued to management for further action.
- 15.29 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.

15.30 Dual Employment Cases / Agency Worker cases

- 15.31 In recent years there have been high numbers of these cases across the public sector. The NFI has developed data matching to help identify individuals with multiple employment contracts. These cases are all referred to the fraud team either from external sources, management, or Employee Relations Team so that preliminary fraud checks and assessment can be undertaken and fraud powers deployed. The team work closely with other organisations on these cases where there is criminality found a prosecution case will be led by the authority who has experienced and can evidence the greatest financial loss. The case is referred into the disciplinary process as soon as the evidence is available. The team will track all cases to conclusion and will report any significant outcomes as they occur.
- 15.32 At the start of quarter four we had two live ex-agency worker dual employment case which, is being led by another authority. One ex—employee case open, where we are leading. One ex-employee case which the lead authority has reported to the police and the file is with the crown prosecution service. Although many other cases have resulted in disciplinary action the burden of evidence in a criminal case is such that many cases do not progress to court. Across the public sector a number of fraud teams have cases that have been passed to their legal teams and where there is success at court this is publicised widely in the press, which does help to increase the deterrent factor to fraudsters.
- 15.33 In quarter four there has been one new dual worker case. The case remains live and outcomes will be reported later in the year.

15.34 Whistleblowing Referrals

- 15.35 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 ten open referrals nine were being investigated by the team and one by management.
- 15.36 Four new whistleblower allegations have been accepted in quarter four, under the policy; all required initial investigation by audit. All four new cases remain open at the end of the quarter. Of the ten carried forward from quarter 3, two have been closed as no case to answer; five have been closed with action for management; two remain open with the team and one continues to be investigated by management. There are therefore seven cases open at the end of the year, 6 with the team and one with management.

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