

NOTICE OF MEETING

CORPORATE COMMITTEE

Thursday, 3rd December, 2020, 7.00 pm - MS Teams: Watch it ([Here](#)).

Members: Councillors Isidoros Diakides (Chair), Zena Brabazon (Vice-Chair), Dawn Barnes, Patrick Berryman, Dana Carlin, Vincent Carroll, Mahir Demir, Erdal Dogan, Scott Emery, Liz Morris, Alessandra Rossetti and Anne Stennett

Quorum: 3

1. **FILMING AT MEETINGS**

Please note that 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. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making depositions, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, 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 AND SUBSTITUTIONS (IF ANY)**

3. **URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. (late items will be considered under the agenda items where they appear. New items will be dealt with at item)

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 - 16)

To consider and agree the minutes of the meeting held on 30th July 2020.

7. UPDATE ON THE AUDIT OF THE HOUSING DELIVERY PROGRAMME (PAGES 17 - 24)

8. PROGRESS UPDATE ON THE AUDIT OF THE FINAL STATEMENT OF ACCOUNTS 2019/20

Verbal update.

9. TREASURY MANAGEMENT UPDATE REPORT Q2 (PAGES 25 - 48)

10. UPDATE ON THE RENAMING OF BLACK BOY LANE (PAGES 49 - 84)

11. QUARTER 2 AUDIT, RISK & FRAUD UPDATE (PAGES 85 - 92)

12. RISK MANAGEMENT POLICY STATEMENT (PAGES 93 - 118)

13. ANTI-FRAUD & CORRUPTION STRATEGY (PAGES 119 - 150)

14. ANY OTHER BUSINESS OF AN URGENT NATURE

To consider any items admitted at item 2 above.

15. DATE AND TIME OF NEXT MEETING

4th February 2021
18 March 2021

Philip Slawther, Principal Committee Co-ordinator

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Bernie Ryan

Assistant Director – Corporate Governance and Monitoring Officer

River Park House, 225 High Road, Wood Green, N22 8HQ

Wednesday, 25 November 2020

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MINUTES OF MEETING CORPORATE COMMITTEE HELD ON THURSDAY, 30TH JULY, 2020, 6.30 - 10.15 PM

PRESENT:

Councillors: Isidoros Diakides (Chair), Mike Hakata (Vice-Chair), Peray Ahmet, Dawn Barnes, Patrick Berryman, Mahir Demir, Makbule Gunes, Alessandra Rossetti, Daniel Stone and Noah Tucker

138. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

139. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS (IF ANY)

Apologies for absence were received Cllr Morris.

140. URGENT BUSINESS

None.

141. DECLARATIONS OF INTEREST

None.

142. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

None.

143. MINUTES

RESOLVED

The Committee agreed the minutes of the meeting held on 3rd February 2020 as a correct record.

144. SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSE TO INTERNAL AUDIT REPORT ON DISPOSAL OF ASSETS OCTOBER 2019

The Committee considered a report which provided a summary of the audit recommendations, as well the management action taken to date in implementing the recommendations from the Internal Audit report on the Disposal of Assets, from October 2019. The report was introduced by Christine Addison, Interim Director of Capital Projects & Property and Bill Ogden, Head of Strategic Property as set out in

the agenda pack at pages 11-14. Cllr Adjé was also present, as the Cabinet Member for Finance and Strategic Regeneration. The following was noted in discussion of this report:

- a. The Committee sought assurance around the monitoring arrangements for the implementation of the recommendations and whether it had been discussed at the Property Management Board. In response, officers advised that the report had been discussed at Corporate Board, as this was an officer level function and that Cllr Adjé, as Cabinet Member, was responsible at a political level for ensuring that the recommendations from the audit were implemented. The Chair set out that he would like all audit reports to be sent to the relevant Cabinet Member as a matter of course.
- b. In response to questions around the extent to which the Strategic Property Unit was made up of interim staff or consultants, officers acknowledged that there were a lot of interim staff in the team and that this was not the ideal situation. It was commented that a number of the permanent staff had left the organisation due to plans for this function to be absorbed into the now defunct Haringey Development Vehicle. The Interim Director of Capital Projects & Property advised that work was continuing on recruitment of full-time permanent members of staff. The Director also assured the Committee that the staff in Strategic Property had extensive experience, irrespective of them being interim staff and that she had no concerns about their ability to perform their role competently.
- c. In response to a question around considerations of value for money when undertaking asset disposals, officers advised that there was a process in place for checking the basis for any disposal and that disposals were done on the basis of best consideration. Officers clarified that no significant disposals had taken place in the past 18 months.
- d. Members of the Committee broadly welcomed the fact there had been no significant disposal of assets in that past 18 months. The Committee sought assurance that any significant disposal would be discussed at Corporate Committee before it took place. In response, the Cabinet Member stressed that the nature of disposals could be time-sensitive and that discussing this with the Committee may not be practicable or desirable, particularly as the Committee only meets five times a year. The Cabinet Member assured the Committee that any disposal that was undertaken in future would have proper audit trail.
- e. The Committee suggested that, in light of the sensitivity of asset disposals and concerns about what may have happened in the past, that there was a need for an extra layer of scrutiny around this issue and that Corporate Committee should perhaps be the most suitable forum for that extra scrutiny to take place.
- f. The Committee enquired about the disposal of the Red House site, suggesting that this had taken place in the last 18 months and had not been sold on the open market. In light of the fact that this was part of the Council's Housing Delivery Strategy, it was put to officers that this constituted a significant site. In response, the Interim Director of Capital Projects & Property advised that she would come back to the Committee with the details of this as she did not have the information to hand. **(Action: Christine Addison).**
- g. The Director assured the Committee that any future decision would be done through a proper process and through the proper channels. In respect of asset disposals, it was noted that Cabinet was responsible for agreeing and monitoring any asset disposal.

- h. In response to a question, officers advised that following a specific audit recommendation, all voids, acquisitions and disposals would be recoded on the new Estate Management Database. The database would hold data in real time to ensure that management reports were continuously up to date. However, this had been delayed due to the new SAP provider going live on 1st June, and as a result the Estates Management Database was expected to be implemented by 1st September. Officers advised that, until the database was up and running, the disposals tracker would be updated manually on a monthly basis. In response to a follow-up question, the Director advised that strong processes were in place to monitor the tracking of voids, acquisitions and disposals and that the database would provide an additional level of assurance. The Interim Director of Capital Projects & Property provided assurance to the Committee that she was confident that the monitoring processes in place were robust.
- i. The Committee also sought clarification as to whether usage of an asset was considered when a disposal was made. In particular, whether its use as a community building could be part of the consideration process. In response the Cabinet Member advised that the administration had a policy in place that any disposal would go through a review process and that usage could be one of the factors considered. It was noted that the Council's Asset Management Plan was agreed by Cabinet on 11th July 2020.
- j. The Cabinet Member agreed to bring back a further update on asset disposals back to the next meeting of Corporate Committee on 17th September, which would address the points raised by the Committee at this meeting. The Chair requested that this update also include some further reassurance around the method used when disposing of assets and considerations around community buildings. **(Action: Cllr Adje/Christine Addison).**

RESOLVED

That Corporate Committee noted the report.

145. UPDATE ON THE AUDIT OF THE HOUSING DELIVERY PROGRAMME

The Committee considered a report which provided an update on progress to implement the recommendations of the audit of the Council House Delivery Programme, undertaken by Mazars between October and November 2019 and which received an overall audit score of limited assurance. The report was introduced by Robbie Erbmman, Assistant Director of Housing and Anna Blandford, Senior Housing Project Delivery Manager as set out in the agenda pack at pages 15-36. Cllr Ibrahim was also present, as the Cabinet Member for Housing and Estate Renewal. The following was noted in discussion of this report:

- a. The Cabinet Member assured the Committee that all of the issues identified in the audit report were being addressed.
- b. The Chair enquired as to the availability of the minutes from the Housing Delivery Board and whether all Members had access to them. In response, officers advised that the Board was not Committee or Sub-Committee of the

Council and that Members would therefore have to demonstrate a 'need to know' to access them.

- c. The Committee noted concerns about the scheme being over budget, particularly as it was a £400m scheme. The Committee sought some further assurance around this considering the tight financial margins involved in successfully delivering Council homes and concerns that any significant increase in costs could blow a hole in the HRA budget. In response, the AD for Housing advised that the biggest single change that had been made was investing in the database, which allowed officers to track every single item of spend in real time and provide an accurate reporting picture. The AD for Housing advised that in comparison to his previous role at TfL, Haringey had introduced this type of software at a much earlier stage in the programme and he set out that he was impressed with the rapid progress that the team had made in implementing the financial governance arrangements.
- d. The AD for Housing advised that the team was now looking at having 72 sites in the programme. It was suggested that the Council was, in effect, a start-up as it hadn't delivered any new housing for over 40 years. The AD for Housing suggested that, what was effectively a start-up, delivering a very ambitious target of 1000 homes in a short period of time, required the programme to run parallel work streams. Such as at the same time as getting planning applications submitted and feasibility assessments underway, officers were also having to set-up all of the governance systems. It was suggested that the pace of progress should not be underestimated. Officers also set out that the development procedures were set up a few months ago and that these were now being reviewed, following an initial bedding-in period, and that the governance arrangements for how projects would be dealt with at each gateway stage formed part of that evaluation process, including the monitoring of any overspends in pre-contract budgets. This was in addition to the wider budget-monitoring framework for the programme.
- e. The Committee enquired how much the investment cost was into the sequel database was and why this was not in place earlier. Officers advised that they did not have that information to hand but commented that it was usually used in conjunction with financial viability software, called ProVal which would usually be used in determining the initial viability assessments. Officers advised that it was usual for organisations not to have a software programme like Sequel in place until projects began onsite, where it would be used to manage the cash flow of projects etcetera. It was suggested that the Council had begun using the software at an earlier stage than many other organisations.
- f. The Chair sought assurance around how soon it would be before officers were in a position to be able to report an accurate picture of any delays or costs to the scheme. In response, officers advised that the systems were in place as of now and that the first round of reporting would be going to the Housing Delivery Board in September (as there was no meeting of the board in August).
- g. A Member of the Committee emphasised that, in addition to having not built any new homes for 40 years, Haringey was setting up a pioneering and ambitious programme of 1000 new homes at social rents and welcomed the progress made to date in spite of the impact of coronavirus.
- h. The Committee sought assurances around whether it was foreseen that any further delays would occur to the Housing Delivery Programme due to COVID-19. In response officers advised that COVID-19 had created ongoing delays to

the programme, with reduced capacity within the contractor market due to the government furlough scheme and, where schemes were on-site, capacity was typically running at two-thirds of pre-COVID levels. It was also anticipated that there was a risk to housing acquisitions occurring from an overall market slow-down. The AD for Housing advised the Committee that he was confident that 1000 plus homes would be started on-site by March 2022, but that it could be a year or two later before those schemes were completed, due to market constraints.

- i. The Committee sought assurances around why the original manifesto pledge to establish a wholly owned company to deliver 1000 homes was not implemented. In response the Cabinet Member advised that part of the reason for a wholly owned company was the borrowing cap on the HRA, which was subsequently lifted by the government in 2018 and allowed the Council to borrow significantly higher amounts of capital in order to build the homes itself. The Cabinet Member emphasised that by delivering homes through the HRA the Council were able to deliver the 1000 plus homes at social rents. This was much harder to do through a wholly-owned company, not least due to limitations around state-aid.
- j. The Committee suggested that one of the advantages of the wholly-owned company, as set out in the Cabinet report of July 2018, was that they would not be subject to Right-to-Buy provisions whereas any new homes built by the Council would be. In response, the Cabinet Member suggested that this was a bit of a red herring, as the discounts available under Right-to-Buy were relatively small and that it was very unlikely that the people who would be placed in the new Council houses would be able to exercise their Right-to-Buy; particularly as they would have been living in Temporary Accommodation for, on average, a period of eleven years. It was also set out that there were protections in place for local authorities and that Councils could not sell the properties for less than their cost.
- k. The Committee sought assurances around the governance structure for the strategic risk register for the Council Homes Delivery programme and questioned whether Corporate Committee could have sight of this document. In response, officers advised that the strategic risk register was updated quarterly due to the market-based nature of many of the risk involved. However, monthly highlight reports by exception would be produced for the Council Housing Delivery Board and there was also monthly project review meetings within the Housing Delivery service. The AD for Housing suggested that it would be an issue for Legal and Democratic Service to determine whether it was appropriate for the Committee to review the strategic risk register.
- l. In response to a further request for assurance, officers advised that all of the actions identified in the audit would be in place for the Housing Delivery Board in September.
- m. In relation to assurance around the estimated delivery of 200 Council-owned homes by 2022, the AD for Housing suggested that this was probably a conservative estimate, but that provided there were no further periods of lockdown, he was confident that the Council would be in a position to achieve 200 completions by 2022.
- n. The Committee requested that a further update on the audit of the Housing Delivery Programme be brought back to the Committee at its next meeting if

that was feasible, or failing that to the December meeting. **(Action: Robbie Erbmam/Clerk).**

RESOLVED

That Corporate Committee:

- I. Noted that whilst the original deadline for actions set out in the audit was April 2020, and actions were initially going to be delivered slightly later than this, COVID-19 had significantly delayed the timescales for completing the work for the reasons set out in paragraph 6.10 of the report; and
- II. noted the progress made to date on actions following the audit and the further work required to comply with the recommendations in the audit, as set out in paragraphs 7.14, 7.16, 8.8, and 9.5 of the report.

146. RECOMMENDATIONS AND MANAGEMENT RESPONSE TO SCHOOLS AUDIT

This report provided an update on audits in schools, following a report earlier this year (March 2020) to Corporate Committee, which set out the finance and audit training available to schools. The briefing in March also outlined that any school that had a nil-assurance outcome for two consecutive audits would trigger a call from the Assistant Director for Schools and Learning and the Head of Audit to the Head Teacher and Chair of Governors to support the school to move to a more positive outcome without delay. The report was introduced by Head of Audit and Risk Management, along with the AD for Schools and Learning, as set out in the agenda pack at pages 33-36.

Nineteen schools were audited in the financial year 2019/20 and thirteen schools were assigned either substantial or adequate assurance scores and six were assigned limited or nil assurance. Two schools received nil-assurance during 2019-20. The AD for Schools and Learning advised that for one of the schools the issue seemed to be around the loss of the business manager, and a new business manager had now been put in place. It was anticipated that when the school was re-audited in 2020/21, significant improvement would be secured.

The Committee was advised that the other school that received nil-assurance was a primary school with an OFSTED rating of "good". The reasons for the nil assurance were related to the fact that the school has been through a period of turbulence that included falling rolls and a change in leadership, including an interim head for a period of one term from September 2020. With a new Head Teacher and a new business manager in place, a much more positive outcome was anticipated when the school was next audited.

The following was noted in discussion of this report:

- a. In response to a request for further assurance from the Chair, the Head of Audit advised that he was broadly happy overall with the direction of travel but acknowledged that it was important to continue to work with schools to secure ongoing improvements. The Head of Audit commented that there were some

- concerns about the impact COVID-19 on schools and the impact this could have in terms of ongoing engagement on audit training etcetera.
- b. The Committee sought clarification around whether the sum of money available to schools for a local authority led SLA was separate from the finance and audit training on offer. In response, the Committee was advised that these were two separate processes. The Head of Schools and Learning confirmed to the Committee that schools were taking up the offer for audit training and that the overall response had been positive.
 - c. The Committee raised concerns with the example of Stamford Hill School, which had seen a rapid decline in its governance standards and had subsequently closed, following a nil-assurance audit score. The Committee enquired whether a similar set of circumstances could befall either of the two schools that had received nil-assurance in 2019/20. In response, the Head of Schools and Learning advised that she was confident that both schools were making significant improvements and that there was no cause for concern around either school becoming 'the next Stamford Hill'.

RESOLVED

That the Committee noted the report

147. ANNUAL SCHOOLS AUDIT REPORT - 2019/20

Clerk's note – The Chair agreed to take agenda item 14 on the Annual Schools Audit Report 2019/20 immediately following item 9. The minutes reflect the order in which the items were considered rather than the order on the published agenda.

The Committee received a report which provided information on the outcomes of the 2019/20 school audit programme and of the follow-up of the 2018/19 audits carried out in 2019/20 by Mazars. The report was introduced by Minesh Jani as set out in the agenda pack at pages 147-156.

RESOLVED

That Corporate Committee noted the report.

148. TREASURY MANAGEMENT OUTTURN 2019/20

The Committee received a report which provided an update on the Council's treasury management activities and performance in the year to 31st March 2020, in accordance with the CIPFA Treasury Management Code of Practice. The report was also due to be submitted to Full Council. The report was introduced by the Head of Pensions, Treasury and Chief Accountant. The following was noted in discussion of the report:

- a. The Committee sought assurances around contrasting figures in the report on the rate of return on investments. In response, officers advised that the average rate of return on investments across the year was 0.7% and that other figures may refer to a snapshot at a particular period. The Committee was advised that the rate of return was lower than the cost of inflation and that this had been the

case for a number of years. Officers advised that it was the same for most authorities, as well as individual investors during this period.

- b. In response to a question, officers advised that any chance of developing a saving to the Council by increasing the income on investments had effectively been wiped out by decreasing interest rates. Officers advised that it was hoped that the Council would meet its income target for the year for investments, but there very little chance of exceeding it.
- c. In response to a question around loans to third parties including local charities, officers advised that the balances in the report were largely historical and that any loan that was not repaid would become a cost to the General Fund.
- d. In response to a question around a loan to a leisure contractor, officers advised that this was a historic loan rather than one taken out in 2019/20 and that the name of the company in question was exempt for commercial reasons. Thomas agreed to follow this up with Legal. **(Action: Thomas Skeen).**

RESOLVED

- I. That Members noted the Treasury Management activity undertaken during the year to 31st March 2020 and the performance achieved.
- II. That Members noted that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

149. STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT PLAN 2019/20

The Committee received a report which provided an update on the Council's Statement of Accounts 2019/20 and the plan for the audit of the Statement of Accounts for 2019/20. The report was introduced by Thomas Skeen and Kerry Barnes from the external auditor BDO, as set out in the agenda pack at pages 55-94 of the agenda pack. The following was noted in discussion of this item:

- a. The audit plan was originally scheduled to come to the 18th March Corporate Committee, which was cancelled due to COVID-19 and the audit plan was being brought back for discussion at a public meeting.
- b. The timescales that the Council was working towards had been pushed back due to COVID-19. The draft and unaudited accounts were published on 29th June and the audit process began on 29th June. The Committee was advised that officers were working to have the final accounts ready for the 17th September, however this was a very challenging deadline.
- c. The Committee was also advised that the regulators, the FRC, randomly chose a selection of auditors to audit every year and last year BDO's audit of Haringey was chosen. This report was included at agenda item 23 in the exempt section of the agenda pack.
- d. In response to a question, the Committee was advised that there was a six-week public inspection period from the point in which the draft accounts were published and that this gave interested parties an opportunity to inspect the accounts and make a representation.
- e. BDO advised that the FRC had been issued with new guidance in light of COVID-19, and that BDO had amended the risks in the audit report in light of this additional guidance. The three key areas where amendments had been

made were: A reassessment of property valuations due to RICS guidance that had been issued around market conditions; increasing risks around the impediment of the non-collection of receivables and 'going concern' disclosures.

RESOLVED

That the Committee noted the contents of the report and any further oral updates given at the meeting by BDO LLP, particularly in relation to the Financial Reporting Council (FRC) report at appendix 2 of the report (Exempt).

150. TREASURY MANAGEMENT STRATEGY REVIEW

The Committee received a report which set out the impact of coronavirus on the Council's treasury management activities since the Council's Treasury Management Strategy 2020/21 was approved by Full Council in February. The report was introduced by Thomas Skeen, as set out in the agenda pack at pages 95-100. The following was noted in discussion of this agenda item:

- a. In response to a question, officers assured the Committee that there was no reason to amend the Treasury Management Strategy for 2020/21 at present. However, the Council had maintained higher than usual liquid cash balances in response to ongoing uncertainty as a result of COVID-19.
- b. The Committee sought assurances around whether the Council should be looking to amend its reserves policy due to the exceptional circumstances around coronavirus and the likely impact on budget overspends. In response, officers advised that this was a political decision but acknowledged that any overspends would reduce the amount of usable reserves.

RESOLVED

That the report was noted.

151. DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20

The Committee received a report which informed the Corporate Committee of the statutory requirements to produce an Annual Governance Statement (AGS) and provide a draft statement relating to the 2019/20 financial year for review and approval and maintain the Local Code of Corporate Governance. The report was introduced by the Head of Audit and Risk Management, Minesh Jani as set out in the agenda pack at pages 101-142.

The Committee sought clarification around the fact that the report set out that the target for anti-fraud work was to contribute £11m in savings. In response, officers clarified that quantifying the role of the fraud team was always difficult and the value was not always accurately reflected by money alone. The Committee was advised that that the £11m should be seen as the output rather than a target and that further elaboration of financial outcomes would be given as part of item 15.

The Committee sought clarification around the risks highlighted in the report around HfH. Officers advised that there was an initial piece of work undertaken around the

arrangements for contracting out repairs work within HfH and that, as a result of that piece of work, a number of areas where management controls needed to be strengthened came to light. This led to a broader piece of work being undertaken.

The Chair commented that the use of the term 'target' for the anti-fraud work was confusing and reiterated that he felt this should be rephrased in future reports to the Committee.

RESOLVED

- I. The Corporate Committee reviewed and approved the draft 2019/20 AGS attached at Appendix A of the report.
- II. That the Corporate Committee noted the approval timescale and processes for the draft 2019/20 AGS.
- III. That the Corporate Committee noted and approved the updated Local Code of Corporate Governance attached at Appendix B of the report.

152. ANNUAL INTERNAL AUDIT REPORT 2019-20

The Committee received a report which set out the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2019/20 and presented a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies. The report was introduced by the Head of Audit and Risk Management, Minesh Jani as set out in the agenda pack at pages 153-178. The following was noted in discussion of the report:

- a. The Head of Audit and Risk Management advised that there were 64 planned internal audit assignments in 2019/20 and 68 were carried out. Of that 64, 13 new audits were added to the plan, 6 were cancelled and 3 were deferred to the following year. Some of the key areas for audit were identified as contract management and school audits. The audit team performed a crucial role in ensuring that the recommendations raised in the areas identified through the audit process were being implemented so that the risks to the organisation could be better managed.
- b. The Head of Audit and Risk Management advised the Committee that of the 795 anti-fraud investigations that were carried out by the team in 2019/20 and that the majority of those related to Right-to-Buy applications, tenancy fraud and pro-active tenancy checks as these were the key areas that fraud had been identified both locally and nationally.
- c. In relation to a previous question around quantifying the value of the work that the fraud team did, the Head of Audit and Risk Management advised that following the release of a CIPFA report, the team had undertaken a number of fraud investigations around single person discount for Council Tax and that this had saved the Council £46k. The Head of Audit and Risk Management assured the committee that a proportionate and reasonable approach was taken around this and that a review process had also been set up for people who thought

- they had been wrongly penalised and had the single person discount taken away from them.
- d. The Committee sought clarification as to how many cases the £46k related to as it was suggested that this was perhaps lower than might have been anticipated. In response, the Head of Audit and Risk Management agreed to provide a written response to Members on how many people and cases the £46k related to. **(Action: Minesh Jani)**.
 - e. In response to a follow-up, the Head of Audit and Risk Management acknowledged that there was further work that could be done and some lessons learnt about increasing the figure of £46k in future.

RESOLVED

That the Corporate Committee noted the content of the Head of Audit and Risk Management's annual audit report and assurance statement for 2019/20.

153. AUDIT AND RISK UPDATE

The Committee received a report which detailed the work undertaken by the in-house Audit and Fraud Resources team for the quarter ending 30 June 2020. A combined report was produced to update the Committee as during quarter one the team faced the unprecedented circumstances of all working remotely from the Council offices due to COVID-19. In addition, the resources usually working in partnership to deliver the internal audit plan were furloughed by Mazars. The report was introduced by Vanessa Bateman, Deputy Head of Audit and Risk Management as set out in agenda pack at pages 179-186.

In response to a question, officers acknowledged that some degree of prioritisation had taken place within the team in order to meet the challenges faced by COVID-19 and that extra work had been done around the grant payments received. It was noted that referrals around tenancy fraud had remained fairly constant over the period.

RESOLVED

The Corporate Committee noted the activities of the team audit and risk management team during quarter one 2020/21.

154. UPDATED ANNUAL INTERNAL AUDIT PLAN - 2020/21

The Committee received an updated annual audit plan for 2020/21, following a number of amendments made since the last meeting. The audit plan was introduced by the Head of Audit and Risk Management Minesh Jani, as set out in the agenda pack at pages 187-200. The following was noted in discussion of the report:

- a. The Head of Audit and Risk Management advised that a lessons learnt approach was being adopted in relation to contracts and that all contracts entered into as part of the response to coronavirus would be risk assessed and the concerns raised by Cllr Berryman via email would be captured as part of this.
- b. The Committee was advised that the audit of HR had been put back in order to give the new head of HR some time to bed-in. The Committee enquired

whether an interim report could be produced in the meantime. The Head of Audit and Risk Management agreed to pick this up with Cllr Gunes outside of the meeting. **(Action: Minesh Jani).**

RESOLVED

That the Corporate Committee reviewed and approved the updated Annual Internal Audit Plan for 2020/21 (Appendix B of the report) and the proposed changes to the plan (Appendix A of the report).

155. RISK BASED VERIFICATION POLICY FOR HOUSING BENEFIT AND COUNCIL TAX REDUCTION CLAIMS

The Committee received a report which provided an update on Risk Based Verification (RBV) for Housing Benefit and Council Tax reduction claims. The report was introduced by Amelia Hadjimichael, Head of Benefits, as set out. It was noted that RBV related to the level of checks that were undertaken on a claim before benefit was awarded. Its primary purpose was to target resources to where fraud and error were more likely to occur and thus help minimise fraud and error.

Ordinarily, there was a requirement for an annual review of the RBV policy to take place. However, given the impact of COVID-19, the Government issued advice which suspended the need for a review to take place. The report provided a briefing note on changes to the need for a review in 2020/21, in light of COVID-19.

In response to a question, officers advised that the scheme was meeting its targets and that since the introduction of the policy in November 2019, the Council had sent out around 6000 fewer letters to claimants which created less delays and allowed the team to focus on more serious cases of fraud and error. Officers advised that so far RBV was considered to be a success.

RESOLVED

That Corporate Committee:

- I. Noted and agreed that the Council's RBV policy should continue;
- II. Noted and agreed the officer view that there was no need to review the RBV policy for the year 2020/21;
- III. That the Committee recommended to Cabinet for it to the above recommendations.

156. IMPACT OF COVID-19 ON HEALTH AND SAFETY FUNCTIONS

The Committee received a report which provided an update to the Corporate Committee on the impact that Covid-19 has had on health and safety functions. The report was introduced by Alexis Correa, Deputy Head of Service for Health and Safety as set out at pages 205-210 of the agenda pack.

Clerks Note at 21:50 hours: The Committee agreed to suspend Committee Standing Orders in order to continue past ten o'clock. There were eight members present at this point and so the Committee met the stipulation that at least half of its members be present in order to do this.

*** Additional Clerk's note: The Chair of the meeting had some problems with his IT equipment and left the meeting at this point to restart his laptop. The Deputy Chair of the Committee, Cllr Hakata chaired the reminder of the meeting**.*

RESOLVED

That the Committee noted the report.

157. UPDATE ON RENAMING OF BLACK BOY LANE

The Committee received a report which set out the Council's proposed approach to the potential renaming of Black Boy Lane. The report sought to inform the Committee of the process and the timetable involved. The report was introduced by Rob Krzyszowski, Head of Policy, Transport & Infrastructure Planning and Jonathan Unger, Local Land Charges & Property Gazetteer Manager as set out at pages 211-222 of the agenda pack. The following was noted in discussion of the report:

- a. The Committee sought clarification around the level of potential costs involved in this scheme, in response officers advised that no decision had yet been taken in relation to costs but that the administration did feel that it was appropriate to make a voluntary payment to residents to cover the costs of having to change their address.
- b. The Committee welcomed the proposal to change the street name and suggested that this sent a strong message about what type of borough this was and what type of borough the authority wanted to create. In response to some ongoing discussion within the community about the exact meaning of the name, the Committee suggested that what was important was what that name meant today and the racist connotations therein.
- c. The Committee also felt that in light of the Black Lives Matter movement, it was an auspicious moment to change the name and that a similar moment was unlikely to come around again. The Committee emphasized the fact that symbolism was important and that the borough's street names had to represent of the views of its residents.
- d. The Deputy Chair of the Committee also endorsed the proposal but cautioned that what was needed was lasting structural change, to tackle the inequalities faced by many of the borough's residents and that it was important that the Council worked to tackle this structural inequality, as well as making largely symbolic changes to the names of streets.

RESOLVED

That the Committee noted and endorsed the proposed approach to the renaming of Black Boy Lane.

158. NEW ITEMS OF URGENT BUSINESS

N/A

159. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the reminder of the meeting as the rest of the agenda items contain exempt information, as defined in Section 100a of the Local Government Act 1972 (as amended); Paragraph 3.

160. STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT PLAN 2019/20

As per Item 149.

161. RISK BASED VERIFICATION POLICY FOR HOUSING BENEFIT AND COUNCIL TAX REDUCTION CLAIMS

As per item 155.

162. ITEMS OF EXEMPT URGENT BUSINESS

N/A

163. ANY OTHER BUSINESS

There were no items of other business.

164. DATE AND TIME OF NEXT MEETING

17th September 2020

CHAIR: Councillor Isidoros Diakides

Signed by Chair

Date

**Corporate Committee
Action Tracker**

Mtg. Date	Action	Response	Who by	Completed
30 th July	In response, the Interim Director of Capital Projects & Property advised that she would come back to the Committee with the details of the disposal of the Red House site and whether this constituted a significant site.	Officers are drafting a response. This will be circulated prior to the meeting on 3 rd December.	Christine Addison/Bill Ogden	
30 th July	The Committee requested a further update on the recommendations of the asset disposals audit, including some further reassurance around the method used when disposing of assets and considerations around community buildings.	Officers are drafting a response. This will be circulated prior to the meeting on 3 rd December.	Christine Addison	
30 th July	The Committee requested that a further update on the audit of the Housing Delivery Programme be brought back to the Committee.	A report is on the agenda for 3 rd December meeting.	Robbie Erbmman	
30 th July	The Committee sought clarification around the name of the leisure contractor, who had received a loan.	This related to a historic loan. A response was circulated to Members on 14 th September.	Thomas Skeen.	Completed.
30 th July	The Head of Audit agreed to provide a written update on how many cases of single person Council Tax discount the £46k related to as it was suggested that this was perhaps lower than might have been anticipated.	Minesh is drafting a response.	Minesh Jani	
30 th July	The Head of Audit and Risk Management agreed to pick up whether or not an interim audit report on the audit of HR could be produced, following the audit having been put back following the appointment of a Chief People Officer.		Minesh Jani	Ongoing
3 rd February	The Committee sought reassurance around the nature of the loans/debt set out in the report around leisure services and also Alexandra Palace. Officers agreed to seek an update on this from the Director of Environment and Neighbourhoods.	Response emailed to Members on 25 th February	Clerk	Completed

2 nd December	The Committee requested a follow up report on housing benefit overpayment for next year and also requested that it include some analysis on the Risk Based Verification model and the wider implementation of the FOBO programme	RBV update coming to July Meeting. Housing Benefit overpayment included in external audit report.	Andy Briggs/Amelia Hadjimichael	Completed.
2 nd December	The Chair requested that officers give some further consideration of how best to present an annual fraud target.	The Audit team's work includes two grip indicators that are reported to the Corporate Committee. The targets have been set to provide a measure of the performance of the service, though it is recognised that when reporting the performance of the service, the report should take a holistic view of fraud matters, including consideration of proactive anti-fraud measures.	Minesh Jani	Ongoing

Report for: Corporate Committee 3rd December 2020

Title: **Update on the Audit of the Housing Delivery Programme following Corporate Committee on 30th July 2020**

Report

Authorised by: David Joyce, Director of Housing, Regeneration and Planning

Lead Officer: Robbie Erbmman, Assistant Director of Housing

Ward(s) affected: N/A

Report for Key/

Non-Key Decision: Non-Key Decision

1. Describe the issue under consideration

- 1.1. This report provides an update on recommendations from the Council House Delivery Programme Audit, that have been implemented since Corporate Committee report on 30th July 2020.

2. Cabinet Member Introduction

- 2.1. N/A.

3. Recommendations

- 3.1. It is recommended that Corporate Committee:
- 3.2. Note the progress made to date on actions following the Corporate Committee report on 30th July 2020.
- 3.3. Note that all actions from the Council House Delivery Programme Audit from December 2019 have now been completed.

4. Reasons for decisions

N/A

5. Alternative options considered

N/A

6. Background information

- 6.1. As part of the 2019/20 Internal Audit Plan, an internal audit was carried out by Mazaars of the Council House Delivery Programme. The outcome of the Audit was Limited Assurance.
- 6.2. The objective of the Audit was to evaluate the adequacy of key controls and the extent to which controls have been applied, with a view to Audit providing an opinion on the extent to which risks in this area are managed.

- 6.3. A draft report was provided by Audit in December 2019 and after management responses were given and accepted by Audit, the Final Report was issued on 27th January 2020.
- 6.4. Audit analysed and reviewed the following risk areas:
- Strategy and Objectives
 - Project Planning
 - Governance
 - Monitoring
 - Funding and Budget Management
 - Risk Management
 - Change Management
 - Management Reporting
- 6.5. From this review, Audit initially identified 6 areas for further improvement which were:
- Estimate of Final Cost and Cashflow
 - Programme Highlight Report
 - Strategic Risk Register
 - Project Brief
 - Project Tracker
 - Communications Plan
- 6.6. Following the draft report, further information and evidence was provided to Audit by the Housing Delivery Team, where it was accepted that there was already appropriate processes and controls in place for the three areas; project brief, project tracker and the communications plan.
- 6.7. Consequently, project brief, project tracker and the communications plan have processes in place and have no further actions from Audit. However, this report will provide a brief update on the Communications Plan as there has been some progress on remote engagement following Corporate Committee in July.
- 6.8. The outcome of the Final Report was that there were three remaining areas that required further action; estimate of final cost and cashflow, programme highlight report and strategic risk register. The recommendations for each are detailed in paragraphs 7.3, 8.2 and 9.2 of the report.
- 6.9. It is relevant to add that the programme was at a very early stage at the time of the audit, where the project team had only been recruited in September 2019, so there had been little time to develop a comprehensive delivery architecture.
- 6.10. Additionally the team were impacted considerably by the Covid-19 pandemic as 3 staff were partially redeployed to support urgent frontline Covid-19 work, 3 staff were ill with the virus and another 2 were impacted due to family members being treated for Covid-19, of which one suffered a bereavement. Team members also had to cover the work of those who were being impacted by the virus.

- 6.11. Following the Corporate Committee update on 30th July this report provides an update on progress made since then.
- 6.12. All recommendations from the Audit have been implemented and there are no further actions outstanding.

7. Progress update on areas of concern

7.1. Estimate of final cost and cashflow

- 7.2. Estimate of final cost and cashflow was rated as a Priority 1 concern. It was felt that where cashflow is not monitored, there is a risk projects may have an adverse impact on the council's cashflow and an increased risk of unexpected overspends on completion.
- 7.3. Audit's recommendation was that throughout the progress of any individual project, periodic estimates of final cost should be produced and compared against original budget, along with cashflow forecasts. The response to these recommendations is set out in paragraphs 7.7, 7.10 and 7.14.
- 7.4. At the time of the Audit, the programme was at an early stage, where most projects were only just going through the early gateway process for funding, so there was little budgeting to report.
- 7.5. However, there was a clear gap in the financial budgeting of the programme and the Finance Team had been seeking to recruit specific financial expertise since the programme gathered momentum in autumn 2019.
- 7.6. In March 2020, a Principal Accountant was recruited, whose primary role is to work with the Housing Delivery Programme to ensure projects can be delivered within the viability of the Housing Revenue Account business plan.
- 7.7. The Principal Accountant ensures that budget requests for feasibility works and start on site contracts, are carefully analysed and can be contained within the Housing Revenue Account before approval is given in gateway reports.
- 7.8. This close working relationship with the Principal and Management Accountants ensures that the programme works within the confines of the Housing Revenue Account and that the programme remains sustainable.
- 7.9. To accurately report on cashflows the Housing Delivery Programme procured a Sequel database in 2019, which required configuration and staff required the appropriate training.
- 7.10. Using Sequel can help project managers manage cashflow forecasts and highlight any variances, which is then captured in project highlight reports and informs part of the programme governance process as detailed in paragraphs 8.4 and 8.9.
- 7.11. The first COVID-19 lockdown had impacted the Sequel set-up training due to remote working and availability of the provider's consultants which had resulted in a significant delay to the process.
- 7.12. To move the situation forward, negotiations with the provider resulted in a series of tailored remote training sessions in May 2020, with Sequel

consultants training and supporting our finance accountants with the uploading and reporting of SAP spend.

- 7.13. Further sessions were developed and delivered remotely in June 2020 to project managers on reviewing and forecasting project cashflows.
- 7.14. This work has resulted in the development of a monthly process where actual spend is uploaded into the Sequel database and following this, project managers check the spend against their projects and revise latest estimates.

Update since Corporate Committee July 2020

- 7.15. Since August 2020, Project Managers must record and monitor the previous period's actual spend for the each of their sites on the Project Highlight Report and explain and mitigate for any variances. This process will be explained in more detail in 8.9 and 8.10.
- 7.16. Notwithstanding the Sequel process requiring time to be embedded, it is also an important part of the process that all requests for pre contract budgets have finance oversight and are approved at Council House Delivery Board. There are also quarterly meetings with Finance to review reforecast capital spend.
- 7.17. In the past 2 months to improve the estimate of final cost and cashflow process further, the Programme Manager has worked closely with Project Managers and a Housing Systems Analyst to ensure that cashflow forecasts for all sites with approved budgets for feasibility works, or that have started on site are recorded and forecasted in more detail in Sequel.
- 7.18. A Business Modelling tool has been developed from Sequel, for all sites that have an approved budget allocation that can provide detailed analysis on; forecasted number of homes, dwelling mix, total scheme costs and estimate of cashflow by month and year from start on site to completion.
- 7.19. Part of the cost and cashflow work has fed into a more robust bottom up approach to calculating the Housing Delivery Programme's budget requirements for the Housing Revenue Account Business plan, where forecasts have been based on a more detailed analysis of total scheme costs over the life of the project.
- 7.20. As a site's costs and cashflows may change as it goes through different iterations of design through the feasibility stage - the Programme's Development Procedures are being amended to reflect this process to ensure that any variations to financial viability are being recorded and monitored.
- 7.21. Since September 20, budget forecasts for schemes that are on site or have an approved budget for feasibility work have been reported as part of the Programme Highlight Report at the monthly Council House Delivery Board.

8. Programme highlight report

- 8.1. For Programme highlight report, Audit's observation was that reports to Council House Delivery Board do not include monitoring of cost against budget, changes, timescales, and risks. It was stated there is a need to develop the reporting across the programme, developing milestones & costs. Where there is no comprehensive monitoring of progress there is an increased risk that key issues are not identified and escalated for action.
- 8.2. Audit's recommendation was that reports should be developed for the Council House Delivery to include reporting on estimates of cost against budget, progress against agreed project milestones, key project risks and proposed changes to the programme.
- 8.3. At the time of the Audit, the Programme was still at an early stage and the programme governance process (including highlight reporting) was still being developed and refined.
- 8.4. Since the results of the Audit, a programme highlight reporting process along with templates has been developed but the training and roll out of this procedure has been delayed due to the lockdown of Covid-19 as all staff have been working from home and resources were severely impacted due to effects of the virus as per paragraph 6.10.
- 8.5. As a return date to the office environment was uncertain, remote training sessions on the new programme governance procedure were set up and due to be completed by the end of July 2020.
- 8.6. Whilst there were mechanisms in place for approvals of spend, gateway controls and capital budget monitoring activities, it was recognised that to adequately support governance of such a big programme, there was a lack of programme resources. Whilst there needs to be a review of the level of programme resources required, it was identified in the immediate term, that a recruitment of an interim programme management officer was a key requirement to support an appropriate governance framework.

Update since Corporate Committee July 2020

- 8.7. Whilst the Covid-19 crisis delayed the recruitment of the programme management officer a successful candidate was recruited and started at the end of July 2020.
- 8.8. Since July the programme governance training as mentioned in 8.5 has been completed and all Project Managers have received training on the new highlight reporting process.
- 8.9. Following completion of the monthly highlight reports, project review meetings are held with senior project managers and project managers to review and discuss the content of the reports and any issues are discussed and escalated as required.
- 8.10. Specifically spend against approved budgets are reviewed and any variances must be explained and mitigated and logged. Additionally, any variances to key milestones are discussed and queried and only when there is a reasonable rationale will adjustments to milestones be approved.
- 8.11. Once these monthly project review meetings have been completed all the highlight reports are locked down and then analysed and heatmaps are produced to easily identify patterns and trends. These are then consolidated into a programme highlight report.

- 8.12. The programme highlight report will use the consolidated information to provide a RAG rating for four indicators of the programme Budget, Risks and Issues, Time, and Resources. These four indicators will inform an overall RAG rating for the programme.
- 8.13. The first Housing Delivery programme highlight report was presented at September's Council House delivery Board and is now a standing agenda item every month at the Board.

9. Strategic risk register

- 9.1. The Audit observation on the Strategic risk register was that the Programme risk register had not been regularly updated and that where the register is not reviewed and updated on a regular basis, there is an increased risk that such risks are no longer up to date and fully relevant, and hence the programme may become subject to unexpected factors causing delay.
- 9.2. The recommendation was that Programme risk register should be presented to each meeting of the Council Housing Delivery Board for review and update.
- 9.3. The work to improve risk monitoring is very much linked with the Programme highlight report work and there have been clear templates and training developed to ensure that risks are adequately captured, monitored and mitigated, following the corporate risk management policy.
- 9.4. Strategic risks to the overall programme will be updated, however as strategic risks are unlikely to change on a monthly basis then it is suggested (subject to approval by Council House Delivery Board) that strategic risks will be presented and reviewed quarterly. However, if strategic risks become more severe and require additional controls and further action, these will be presented to Council House Delivery Board to be reviewed sooner at the next monthly Board.

Update since Corporate Committee July 2020

- 9.5. The new highlight report process captures project risks, which determine programme risks. Risk and issues management was trained and rolled out as part of the programme governance training already mentioned in 8.8.
- 9.6. The programme governance training also included completing an amended risk and issues log which has been aligned to a new risk matrix that the Audit & Risk Management team have developed.
- 9.7. To help embed the risk and issues recording and monitoring process the Deputy Head of Audit & Risk Management held a specific session for the Housing Delivery Team on 11th November 2020 where techniques were shared on how to assess and mitigate the impact of risks.
- 9.8. The completion of the revised risk and issues logs for individual projects feeds into an overall Strategic Programme Risks and Issues Register. Common themes are analysed and extracted to help build a picture of wider programme risks and issues e.g. Covid wave 2, resources etc.,

9.9. In September 2020, as part of the new Programme highlight report process, strategic programme risks have been reported and discussed at the Council House Delivery Board.

9.10. Currently strategic programme risks are being reported monthly, but this may move to quarterly depending on feedback from the Council House Delivery Board.

10. Progress update on communications plan since Corporate Committee

11. Communications Plan

11.1. Following the Audit there has been significant work in developing a comprehensive Communications, Consultation and Engagement Procedure Notes and Guidance, for the Housing Delivery team to follow which provides a clear process of engagement at the different gateway stages of the development cycle. This was shared and approved at Council House Delivery Board in May 2020.

11.2. Furthermore, as a result of the COVID-19 pandemic, traditional methods of face to face engagement has not been possible, and an alternative method of consultation and engagement approach has been developed to ensure stakeholder engagement and statutory consultation can be held remotely and with accessibility and inclusion in mind. This approach was shared with Council House Delivery Board in July 2020.

11.3. There is now a clear process for remote engagement for statutory and non-statutory consultation that includes:

- Letters sent by post
- Online Webinars or Online Consultation Boards
- Updating the Council's consultation pages and providing feedback to residents

11.4. Remote engagement sessions were recently completed successfully on three S105 sites and reports with findings and recommendations will be shared at November's Council House Delivery Board.

12. Contribution to strategic outcomes

12.1. The Council Housing Delivery Programme is at the heart of delivering the top priority in the 2019-2023 Borough Plan - a safe, stable, and affordable home for everyone, whatever their circumstances. Outcome 1 of that housing priority in the Borough Plan states "*we will work together to deliver the new homes Haringey needs, especially new affordable homes*", with specific objectives to "*deliver 1,000 new Council homes at Council rents by 2022*" and to "*secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough*".

13. Statutory officer comments

Finance

- 13.1. Finance has worked with the service to address some of the issues highlighted in the audit report, especially around estimation of final cost and cashflow. A dedicated finance officer, in addition, provides support to the housing delivery team, ensuring that estimates are reasonable and robust; actuals are monitored against the HRA business plan/budget and potential overspends are not just highlighted but mitigations are proposed.

Legal

- 13.2. The Assistant Director of Corporate Governance has been consulted on the content of this report. There are no legal implications arising from this report.

Procurement

- 13.3. This report does not have Procurement implications.

Equalities

- 13.4. This report does not have equality implications.

14. Local Government (Access to Information) Act 1985

As above

Report for: Corporate Committee 03 December 2020

Item number:

Title: Treasury Management Update Report to September 2020

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy S151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions & Treasury
Oladapo1.shonola@haringey.gov.uk 020 8489 1860

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 treasury management activities and performance in the three months to 30 September 2020 in accordance with the CIPFA Treasury Management Code of Practice.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Corporate Committee is asked:

- 3.1. To note the half year Treasury Management report detailing the activity undertaken during the first half of the financial year to 30 September 2020 and the performance achieved attached at Appendix 1;
- 3.2. To note the Treasury Management activity undertaken during the first quarter of 2020/21 (April to June 2020) and the performance achieved attached at Appendix 2.
- 3.3. That members note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

4. Reason for Decision

- 4.1. None.

5. Other options considered

5.1. None.

6. Background information

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

6.2. The Code recommends that members are informed of treasury management activities at least twice a year. Formulation of treasury policy, strategy and activity is delegated to the Corporate Committee and this Committee receives reports quarterly.

6.3. 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 2020/21 on 24 February 2020. The Corporate Committee is responsible for monitoring treasury management activity and this is achieved through the receipt of quarterly/annual reports. This report is the monitoring report for the first half of 2020/21.

6.4. 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

6.5. 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.

7. Contribution to Strategic Outcomes

7.1. None.

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

Finance and Procurement

8.1. Finance comments are contained within the body of the report.

Legal

8.2. The contents and recommendation of this report are in accordance the Treasury Management Strategy Statement and consistent with legislation governing the financial affairs of the Council. In considering the report Members must take into account the expert financial advice available to it and any further oral advice given at the meeting of the Committee.

Equalities

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

9. Use of Appendices

Appendix 1 – Half Year 2020/21 Treasury Management Update Report

Appendix 2 – Q1 2020/21 Treasury Management Update Report

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

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Appendix 1 – Treasury Management Outturn Report H1 2020/21

1. Introduction

- 1.1. The Authority 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 Authority to approve treasury management semi-annual and annual reports. This quarterly report provides an additional update.
- 1.2. The Authority's treasury management strategy for 2020/21 was approved at a meeting of full Council 24 February 2020. The Authority 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 Authority's treasury management strategy.
- 1.3. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 24 February 2020.

2. External Context (provided by the Council's treasury management advisor, Arlingclose)

- 2.1. **Economic background:** The spread of the coronavirus pandemic dominated during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again. After a relatively quiet few months of Brexit news it was back in the headlines towards the end of the period as agreement between the UK and EU on a trade deal was looking difficult and the government came under fire, both at home and abroad, as it tried to pass the Internal Market Bill which could override the agreed Brexit deal, potentially breaking international law.
- 2.2. The Bank of England (BoE) maintained Bank Rate at 0.1% and its Quantitative Easing programme at £745 billion. The potential use of negative interest rates was not ruled in or out by BoE policymakers, but then a comment in the September Monetary Policy Committee meeting minutes that the central bank was having a harder look at its potential impact than was previously suggested took financial markets by surprise.
- 2.3. Government initiatives continued to support the economy, with the furlough (Coronavirus Job Retention) scheme keeping almost 10 million workers in jobs, grants and loans to businesses and 100 million discounted meals being claimed during the 'Eat Out to Help Out' (EOHO) offer.
- 2.4. GDP growth contracted by a massive 19.8% (revised from first estimate -20.4%) in Q2 2020 (Apr-Jun) according to the Office for National Statistics, pushing the annual growth rate down to -21.5% (first estimate -21.7%). Construction output fell by 35% over the quarter, services output by almost 20% and production by 16%. Recent monthly estimates of GDP have shown growth recovering, with the latest rise of almost 7% in July, but even with the two previous monthly gains this still only makes up half of the lost output.

- 2.5. The headline rate of UK Consumer Price Inflation (CPI) fell to 0.2% year/year in August, further below the Bank of England's 2% target, with the largest downward contribution coming from restaurants and hotels influenced by the EOHO scheme. The Office for National Statistics' preferred measure of CPIH which includes owner-occupied housing was 0.5% y/y.
- 2.6. In the three months to July, labour market data showed the unemployment rate increased from 3.9% to 4.1% while wages fell 1% for total pay in nominal terms (0.2% regular pay) and was down 1.8% in real terms (-0.7% regular pay). Despite only a modest rise in unemployment over the period, the rate is expected to pick up sharply in the coming months as the furlough scheme ends in October. On the back of this, the BoE has forecast unemployment could hit a peak of between 8% and 9%.
- 2.7. The US economy contracted at an annualised rate of 31.7% in Q2 2020 (Apr-Jun). The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% but announced a change to its inflation targeting regime. The move is to a more flexible form of average targeting which will allow the central bank to maintain interest rates at low levels for an extended period to support the economy even when inflation is 'moderately' above the 2% average target, particularly given it has been below target for most of the last decade.
- 2.8. The European Central Bank maintained its base rate at 0% and deposit rate at -0.5%.
- 2.9. **Financial markets:** Equity markets continued their recovery, with the Dow Jones climbing to not far off its pre-crisis peak, albeit that performance being driven by a handful of technology stocks including Apple and Microsoft, with the former up 75% in 2020. The FTSE 100 and 250 have made up around half of their losses at the height of the pandemic in March. Central bank and government stimulus packages continue to support asset prices, but volatility remains.
- 2.10. Ultra-low interest rates and the flight to quality continued, keeping gilts yields low but volatile over the period with the yield on some short-dated UK government bonds remaining negative. The 5-year UK benchmark gilt yield started and ended the June–September period at -0.06% (with much volatility in between). The 10-year gilt yield also bounced around, starting at 0.21% and ending at 0.23% over the same period, while the 20-year rose from 0.56% to 0.74%. 1-month, 3-month and 12-month bid rates averaged 0.02%, 0.06% and 0.23% respectively over the period.
- 2.11. At the end of September, the yield on 2-year US treasuries was around 0.13% while that on 10-year treasuries was 0.69%. German bund yields remain negative across most maturities.
- 2.12. **Credit review:** Credit default swap spreads eased over most of the period but then started to tick up again through September. In the UK, the spreads between ringfenced and non-ringfenced entities remains, except for retail bank Santander UK whose CDS spread remained elevated and the highest of those we monitor at 85bps while Standard Chartered was the lowest at 41bps. The ringfenced banks are currently trading between 45 and 50bps.
- 2.13. After a busy second quarter of the calendar year, the subsequent period has been relatively quiet for credit changes for the names on our counterparty list. Fitch assigned a AA- deposit rating to Netherlands lender Rabobank with a negative outlook and prior to that, while not related to our counterparty list but quite significant, revised the outlook on the US economy to Negative from Stable while also affirming its AAA rating.

- 2.14. There continues to remain much uncertainty around the extent of the losses banks and building societies will suffer due to the impact from the coronavirus pandemic and for the UK institutions on our list there is the added complication of the end of the Brexit transition period on 31st December and what a trade deal may or may not look like. The institutions on Arlingclose's counterparty list and recommended duration remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

3. Local Context

- 3.1. On 30 September 2020, the Authority had borrowing of £514.4m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

Type of Liability	30.09.20 Actual £m
General Fund CFR	449.2
HRA CFR	274.3
Total CFR **	723.5
Less: *Other debt liabilities	-28.2
Borrowing CFR – comprised of:	695.3
- External borrowing	514.4
- Internal borrowing	180.9

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

** CFR figures are as at 31.03.20 these are calculated annually in the annual Statement of Accounts

- 3.2. Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk.
- 3.3. The treasury management position on 30th September 2020 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

Type of Borrowing / Investment	31.03.20 Balance (£m)	Movement (£m)	30.09.20 Balance (£m)	30.09.20 Rate (%)
Long-term borrowing	506.7	(2.2)	504.4	3.34
Short-term borrowing	25.0	(15.0)	10.0	0.98
Total borrowing	531.7	(17.2)	514.4	3.25
Long-term investments	0.0	0.0	0.0	0.00
Short-term investments	15.0	15.0	30.0	1.00
Cash and cash equivalents	77.3	(36.8)	40.5	0.01
Total investments	92.3	(21.8)	70.5	0.42
Net borrowing	439.4		444.0	

Borrowing Update

- 3.4. On 9th October 2019 the PWLB raised the cost of certainty rate borrowing to 1.8% above UK gilt yields making it relatively expensive.
- 3.5. The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction. Announcements included a reduction in the margin on new Housing Revenue Account (HRA) loans to 0.80% above equivalent gilt yields: the value of this discount is 1% below the rate at which the authority usually borrows from the PWLB.
- 3.6. The consultation titled "Future Lending Terms" allows stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals to allow authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.
- 3.7. The consultation closed on 31st July 2020 with the announcement and implementation of the revised lending terms expected in the latter part of this calendar year or early next year.
- 3.8. **Municipal Bonds Agency (MBA)**: The MBA revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor.
- 3.9. If the Authority were to consider future borrowing through the MBA, it would first ensure that it had thoroughly scrutinised the legal terms and conditions of the arrangement and taken proper advice on these.

Borrowing Strategy during the period

- 3.10. At 30th September 2020 the Authority held £514.4m of loans, a decrease of £17.2m compared to 31st March 2020), as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th September are summarised in Table 3 below.

- 3.11. **Table 3: Borrowing Position**

Type of Borrowing	31.03.20 Balance (£m)	Net Movement (£m)	30.09.20 Balance (£m)	30.09.20 Weighted Average Rate (%)	30.09.20 Weighted Average Maturity (Years)
Public Works Loan Board	381.7	(2.2)	379.4	2.90	25.15
Banks (LOBO)	125.0	0.0	125.0	4.72	39.69
Banks (fixed-term)	0.0	0.0	0.0	0.00	0
Local authorities (long-term)	0.0	0.0	0.0	0.00	0
Local authorities (short-term)	25.0	(15.0)	10.0	0.98	0.45
Total borrowing	531.7	(17.2)	514.4	3.31	28.20

- 3.12. The Authority's chief objective when borrowing has been 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 Authority's long-term plans change being a secondary objective.
- 3.13. With short-term interest rates remaining much lower than long-term rates and temporary investments earning Bank Rate or lower, the Authority considered it to be more cost effective in the near term to use internal resources or short-term loans instead. The net movement in temporary / short-term loans is shown in table 3 above.
- 3.14. Going forwards into future years, the Council has a significant capital programme, and a large proportion of this will be financed by borrowing, which the Council will have to undertake in coming years. The Council's treasury advisor, Arlingclose undertakes weekly 'cost of carry' analysis to inform the Council about whether it is financially beneficial to undertake borrowing now or to delay this for set time periods: given PWLB interest rate forecasts. Any borrowing which is taken to prior to capital expenditure taking place, and reducing the extent of the Council's internal borrowing, would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing, creating an immediate cost for revenue budgets. The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing is maintained.
- 3.15. LOBO loans: The Authority continues to hold £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the quarter.

Treasury Investment Activity

- 3.16. The Authority received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. Funds were received, temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds and disbursed by the end of September.
- 3.17. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £56.7 and £166.6 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

Investments	31.03.20 Balance £m	Net Movement £m	30.09.20 Balance £m	30.09.20 Rate of Return %	30.09.20 Weighted Average Maturity Days
Banks & building societies (unsecured)	0.0	0.0	0.0	0.00	0.0
Money Market Funds	0.0	25.0	25.0	0.01	1.0
UK Government:					
- Local Authorities	15.0	15.0	30.0	1.00	145.6
- Debt Management Office	77.3	-61.8	15.5	-0.03	1.0
Total investments	92.3	-21.8	70.5	0.42	62.6

- 3.18. Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.19. Continued downward pressure on short-dated cash rate brought net returns on money market funds (MMFs) close to zero even after some managers had temporarily lowered their fees. At this stage, although close to nil, negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain slight positive net yields, but the possibility of negative rates cannot be ruled out.
- 3.20. On 25th September 2020 the overnight, 1- and 2-week deposit rates on Debt Management Office (DMO) deposits dropped below zero percent to -0.03%, the rate was 0% for 3-week deposits and 0.01% for longer maturities.
- 3.21. The return on Money Market Funds net of fees also fell over the six months and for many funds net returns range between 0% and 0.1%. In many instances, the fund management companies have temporarily lowered or waived fees to maintain a positive net return.
- 3.22. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (Days)	Rate of Return
31.03.2020	3.70	AA	24%	74	0.42%
30.09.2020	3.68	AA-	35%	63	0.42%
Similar Local Authorities	4.33	AA-	70%	71	0.00%
All Local Authorities	4.16	AA-	64%	18	-0.46%

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

Non-Treasury Investments

- 3.23. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

Treasury Performance

- 3.24. Treasury Investments generated an average rate of return of 0.73% in the first two quarters of the year. The Council's treasury investment income for the year is forecast in line with budget of £136.5k.
- 3.25. Borrowing costs for 2020/21 are forecast in line with budget at Q2, at £20.4m (£16.4m HRA, £4.0m General Fund). In prior years, these budgets have underspent due to a number of factors, including: the current lower interest rate environment reducing interest costs for the Council, and delays in the capital programme's delivery. Should slippage in the Council's capital programme occur, it will reduce the borrowing requirement, and reduce this forecast.

Estimates for income 2020/21

- 3.26. The corporate world is still adjusting to the economic shock, with probably more to come, and it is still too early to tell which companies will withstand the economic damage in the short- to medium-term or which will choose to conserve cash in very difficult economic conditions simply to survive.
- 3.27. Investment income in the Authority's 2020/21 was set against a very different economic backdrop. Bank Rate, which was 0.75% in until February 2020, now stands at 0.1%. In light of these changes, interest earned from short-dated money market investments will be significantly lower.

Compliance

- 3.28. The Director of Finance reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.
- 3.29. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below.

Table 6: Debt Limits

	Q1 Maximum	30.9.20 Actual	2020/21 Operational Boundary	2020/21 Authorised Limit	Complied? Yes/No
Borrowing	531.7	514.4	929.6	979.6	Yes
PFI and Finance Leases	28.1	28.1	28.1	30.9	Yes
Total debt	559.8	542.5	957.7	1,010.5	Yes

- 3.30. Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure, however, Haringey's debt remained well below this limit at all points in the first half of the year.

Treasury Management Indicators

3.31. The Authority measures and manages its exposures to treasury management risks using the following indicators.

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

	30.9.20 Actual	2020/21 Target	Complied?
Portfolio average credit score	3.68 (AA-)	7.0 (A-)	Yes

3.33. **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	30.9.20 Actual	2020/21 Target	Complied?
Total cash available within 3 months	56.7	10.1	Yes

3.34. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	30.09.20 Actual	2020/21 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	0.3	£1m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-0.3	£1m	Yes

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

3.35. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	30.9.20 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	0%	50%	13.9%	Yes
12 months and within 24 months	0%	40%	7.7%	Yes
24 months and within 5 years	0%	40%	16.6%	Yes
5 years and within 10 years	0%	40%	4.4%	Yes
10 years and within 20 years	0%	40%	16.4%	Yes
20 years and within 30 years	0%	40%	7.8%	Yes

30 years and with 40 years	0%	50%	17.8%	Yes
40 years and within 50 years	0%	50%	15.8%	Yes
50 years and above	0%	40%	0%	Yes

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.

- 3.36. **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority'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:

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	Nil	Nil	Nil
Limit on principal invested beyond year end	£10m	£10m	£10m
Complied?	Yes	Yes	Yes

4. Outlook for the remainder of 2020/21

- 4.1. The medium-term global economic outlook is weak. While the strict initial lockdown restrictions have eased, coronavirus has not been suppressed and second waves have prompted more restrictive measures on a regional and national basis. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.
- 4.2. The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise. This has supported a sizeable economic recovery in Q3.
- 4.3. However, the scale of the economic shock to demand, on-going social distancing measures, regional lock downs and reduced fiscal support will mean that the subsequent pace of recovery is limited. Early signs of this are already evident in UK monthly GDP and PMI data, even before the latest restrictions.
- 4.4. This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets have priced in a chance of negative Bank Rate.
- 4.5. Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or if the UK leaves the EU without a deal.
- 4.6. Arlingclose expects Bank Rate to remain at the current 0.10% level and additional monetary loosening in the future most likely through further financial asset purchases (QE). While Arlingclose's central case for Bank Rate is no change from the current level of 0.1%, further cuts to Bank Rate to zero or even into negative territory cannot be completely ruled out.

- 4.7. Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are currently negative and will remain around zero or below until either the Bank of England expressly rules out negative Bank Rate or growth/inflation prospects improve.
- 4.8. Downside risks remain in the near term, as the government dials down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end. The below tables sets out Arlingclose's forecast of official Bank of England Rates in the medium term.

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

Appendix 3 - Treasury Management Update Report - Q1 2020/21

Introduction

The Authority 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 Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2020/21 was approved at a full Council meeting on 24 February 2020. The Authority 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 Authority's treasury management strategy.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 24 February 2020.

External Context (provided by the Council's treasury management advisor, Arlingclose)

Economic background: The UK's exit from the European Union took a back seat during the first quarter of 2020/21 as the global economic impact from coronavirus took centre stage. Part of the measures taken to stop the spread of the pandemic included the government implementing a nationwide lockdown in late March which effectively shut down almost the entire UK economy. These measures continued throughout most of the quarter with only some easing of restrictions at the end of May and into June.

Bank Rate was maintained at 0.1% despite some speculation that the Bank of England's Monetary Policy Committee (MPC) might cut further and some MPC members also suggesting that negative rates are part of the Bank's policy tools. In June the Bank increased the asset purchase scheme by £100 billion, taking the recent round of QE to £300bn and total QE to £745 billion.

At the same time, the government also implemented a range of fiscal stimulus measures totalling over £300 billion which had been announced in March and designed to dampen the effect of the pandemic on the labour market.

GDP growth contracted by 2.2% in Q1 (Jan-Mar) 2020 pushing the annual growth rate down to -1.6%. The lockdown only came into force on 23rd March, and the markets are braced for a dire set of growth data for Q2. In April UK GDP fell 20.4% month-on-month. On the back of the 5.8% month-on-month fall in March, this means economic output fell by 25% compared to its pre-coronavirus peak in February 2020.

The headline rate of UK Consumer Price Inflation fell to 1.2% y/y in May, further below the Bank of England's 2% target.

In the three months to June, labour market data remained largely unchanged on the previous quarter. This is likely due to the government's furlough scheme as more than a quarter of the UK workforce was estimated to be supported by it. The ILO unemployment rate remained unchanged at 3.9% while the

employment rate fell to 76.4%. However, employers will have to contribute towards furlough payments from August and the scheme is due to stop at the end of October; unemployment is expected to rise as a result.

The US economy contracted at an annualised rate of 5.0% in Q1 2020. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% while the US government announced a \$2 trillion fiscal stimulus package. Relations between the US and China, which had briefly improved when Phase 1 of the trade agreement was signed in January, deteriorated over the quarter.

With little room to move on interest rates, the European Central Bank maintained interest rates at 0% and the rate on the deposit facility (which banks may use to make overnight deposits with the Eurosystem) at -0.5% and announced a further huge, open-ended commitment to buy €600bn of bonds under its Pandemic Emergency Purchase Programme (PEPP) which can be reinvested out to 2022. This lifted the ECB's total bond buying support package to €1.35trillion.

Financial markets: After selling off sharply in March, equity markets started recovering in April and while still down on their pre-crisis levels, the Dow Jones and FTSE 100 and 250 have made up around half of the losses. Measures implemented by central banks and governments continue to maintain some degree of general investor confidence, however volatility remains.

Ultra-low interest rates and the flight to quality continued to keep gilts yields low over the period with the yield on some short-dated government bonds turning negative. The 5-year UK benchmark gilt yield dropped from 0.18% at the beginning of April 2020 to -0.06% on 30th June. The 10-year benchmark gilt yield fell from 0.31% to 0.14% over the same period, and the 20-year from 0.69% to 0.52%. 1-month, 3-month and 12-month bid rates averaged 0.04%, 0.28% and 0.44% respectively over the quarter.

Over the quarter (April-June), the yield on 2-year US treasuries fell from 0.24% to 0.20% while that on yield on 10-year treasuries fell from 0.63% to 0.61%. German bund yields remain negative.

Credit review: After rising sharply in late March, credit default swap spreads slowly eased over the quarter but remained above their pre-crisis levels.

Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and also non-UK banks from early April onwards. This included revising the outlook on all banks on the counterparty list to negative, with the exception of Barclays Bank, Rabobank, Handelsbanken and Nordea Bank which were placed on Rating Watch Negative, as well as downgrading Close Brothers' long-term rating to A-. Network Rail Infrastructure and LCR Finance's long-term ratings were downgraded from AA to AA-. HSBC Bank and HSBC UK Bank were the exceptions however, with Fitch upgrading their long-term ratings to AA-.

S&P also acted on a range of UK and European banks, affirming their ratings but revising their outlook downwards due to the economic consequences of COVID-19. Moody's downgraded the long-term rating of Nationwide BS from Aa3 to A1 and S&P downgraded the long- and short-term ratings of HSBC Bank PLC and HSBC UK Bank PLC to A+ and A-1 respectively

In May, Fitch and S&P downgraded TfL's long-term rating to A+ from AA- after the 95% reduction in tube and train fares which make up 47% of TfL's revenue. However, the UK government agreed to a £1.6 billion support package which will help ease some of the stress TfL faces.

As the extent of the losses that banks and building societies will suffer due to the impact from the coronavirus epidemic remains uncertain but is expected to be substantial, in early June following Arlingclose's stress testing of the institutions on the counterparty list using bail-in analysis, a number of UK banks and building societies were suspended from the counterparty list for unsecured deposits. Although much better capitalised than before the 2007-09 financial crisis, under the current economic

circumstances these entities were suspended for reasons of prudence. For those remaining on the list, the duration advice remains up to 35 days.

Local Context

On 30th June 2020, the Authority had net borrowing of £526.4m and £100.1m of investments. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

Type of Liability	30.06.20 Actual £m
General Fund CFR	449.2
HRA CFR	274.3
Total CFR **	723.5
Less: *Other debt liabilities	-28.2
Borrowing CFR - comprised of:	695.3
- External borrowing	526.4
- Internal borrowing	168.9

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

** CFR figures are as at 31.03.20 these are calculated annually in the annual Statement of Accounts

The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position on 30th June 2020 and the change from last quarter is shown in Table 2 below.

Table 2: Treasury Management Summary

Type of Borrowing / Investment	31.03.20 Balance (£m)	Movement (£m)	30.06.20 Balance (£m)	30.06.20 Rate (%)
Long-term borrowing	506.7	(0.3)	506.4	3.34
Short-term borrowing	25.0	(5.0)	20.0	0.95
Total borrowing	531.7	(5.3)	526.4	3.25
Long-term investments	0.0	0.0	0.0	0.00
Short-term investments	15.0	25.0	40.0	0.95
Cash and cash equivalents	77.3	(17.2)	60.1	0.06
Total investments	92.3	7.8	100.1	0.42
Net borrowing	439.4		426.4	

Borrowing Update

On 9th October 2019, the PWLB raised the cost of certainty rate borrowing to 1.8% above UK gilt yields making it relatively expensive. Market alternatives are available, however the financial strength of individual authorities will be scrutinised by investors and commercial lenders before these options can be accessed.

The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction. Announcements included a reduction in the margin on new Housing Revenue Account (HRA) loans to 0.80% above equivalent gilt yields: the value of this discount is 1% below the rate at which the authority usually borrows from the PWLB). £1.15bn of additional "infrastructure rate" funding at gilt yields plus 0.60% was made available to support specific local authority infrastructure projects for England, Scotland and Wales for which there is a bidding process.

The consultation titled "Future Lending Terms" allows stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals to allow authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.

The consultation deadline was extended to the 31st July 2020 with implementation of the new lending terms expected in the latter part of this calendar year. The Authority submitted a response, it also participated in a working group to form a joint response with other London boroughs through the Society of London Treasurers.

Municipal Bonds Agency (MBA): The MBA has revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency issued its first bond in March 2020 on behalf of Lancashire County Council.

If the Authority were to consider future borrowing through the MBA, it would first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and be satisfied with them.

Borrowing strategy

At 30th June 2020, the Authority held £526.4m of loans, (a decrease of £5.3m from 31st March 2020), as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th June are summarised in Table 3 below.

Table 3: Borrowing Position

Type of Borrowing	31.03.20 Balance (£m)	Net Movement (£m)	30.06.20 Balance (£m)	30.06.20 Weighted Average Rate (%)	30.06.20 Weighted Average Maturity (Years)
Public Works Loan Board	381.7	(0.3)	381.4	2.89	25.37
Banks (LOBO)	125.0	0.0	125.0	4.72	39.94
Banks (fixed-term)	0.0	0.0	0.0	0.00	0
Local authorities (long-term)	0.0	0.0	0.0	0.00	0
Local authorities (short-term)	25.0	(5.0)	20.0	0.95	0.50
Total borrowing	531.7	(5.3)	526.4	3.25	27.89

The Authority's chief objective when borrowing has been 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 Authority's long-term plans change being a secondary objective.

The Authority had undertaken £150m of additional long term borrowing toward the latter part of 2019/20 from the PWLB. The duration and interest rates on these long term loans averaged 23 years and 1.72% respectively. This borrowing was taken to fund the Council's growing underlying need to borrow from the capital programme, in conjunction with considerations around interest rates. As COVID 19 has adversely impacted the delivery of the capital programme and in keeping with the Authority's borrowing objectives, no new borrowing was undertaken in the period, while existing loans were allowed to mature without replacement.

The Authority's borrowing decisions are not predicated on any one outcome for interest rates and therefore a balanced portfolio of short- and long-term borrowing is maintained, as demonstrated in table 3 above.

LOBO loans: The Authority continues to hold £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The Council has a policy to repay any LOBO loans where the options is exercised, however it acknowledges that this is unlikely given the low interest rate environment. No banks have, so far this year, exercised their options.

Treasury Investment Activity

The Authority has administered in excess of £50m of central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. This has caused cash balances to be in excess of what would usually be anticipated to be held. All such funds were temporarily invested with the Debt Management Office part of HM Treasury on an overnight basis so they were available each business day for disbursement.

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £99.0 and £166.6 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

Investments	31.03.20 Balance £m	Net Movement £m	30.06.20 Balance £m	30.06.20 Rate of Return %	30.06.20 Weighted Average Maturity Days
Banks & building societies (unsecured)	0.0	0.0	0.0	0.00	0.0
Money Market Funds	0.0	23.9	23.9	0.14	1.0
UK Government:					
- Local Authorities	15.0	25.0	40.0	0.95	182.6
- Debt Management Office	77.3	-41.1	36.2	0.01	1.0
Total investments	92.3	7.8	100.1	0.42	73.6

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The table below shows counterparty credit quality as measured by credit ratings for the period. The table also shows the percentage of the in-house investment portfolio exposed to bail-in risk. Bail-in is the response to the government bail-outs in the global financial crisis, when a number of banks failed and received government bail-outs in 2008. Under bail-in, unsecured deposits made with certain financial institutions would be at risk, should the institution fail, and investors would lose a portion of their invested funds. The below table shows a snapshot at a point in time, and movements in the figures do not reflect changes in policy or strategy but are indicative of the Council's cashflows on that particular date.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking - Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (Days)	Rate of Return
31.03.2020	3.4	AA	0%	56	0.23%
30.06.2020	3.7	AA-	24%	74	0.42%
Similar Local Authorities	4.24	AA-	70%	79	0.80%
All Local Authorities	4.10	AA-	59%	18	0.97%

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

In a relatively short period since the onset of the COVID-19 pandemic in March and the ensuing enforced lockdown in many jurisdictions, the global economic fallout has been sharp and large. Market reaction was extreme with large falls in equities, corporate bond markets and, to some extent, real estate echoing lockdown-induced paralysis and the uncharted challenges for governments, business and individuals.

In 2020/21 the Authority expects to receive lower income from its cash and short-dated money market investments and from its externally managed funds than it did in 2019/20 and earlier years

Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Council lends money to third parties such as its subsidiaries, local businesses, local charities, local residents and its employees to support local public services and stimulate local economic growth. These are often treated as capital expenditure and included within the Council's capital programme. The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, it will be ensured that any new loans made will remain proportionate to the size of the organisation. The Council also holds properties which are classified as 'investment properties' in the Council's statement of accounts. These properties are all within the local area, and the revenue stream associated with these (net of the costs of maintaining the properties) forms a modest part of the Council's annual budget, therefore contributing to the resources available to the Council to spend on local public services.

Table 6: Balances as at 31.03.2020 of non-treasury investments were as follows:

	31.03.2020				
	Balance	Loss Allowance	Balance	Weighted Average Rate of return	Net Total Revenue
	£m	£m	£m	%	£m
Subsidiaries	16.9	-0.3	16.6	0.0	0.0
Local Businesses	4.7	-0.7	4.0	5.2	0.2
Local Charities	47.9	-43.5	4.3	3.0	0.1
Local Residents	0.1	0.0	0.1	4.0	0.0
Employees	0.1	0.0	0.1	0.0	0.0
Commercial Properties*	88.6	0.0	88.6	6.2	5.5
Total borrowing	158.3	-44.6	113.7		5.9

*for commercial properties this is the revenue generated from the properties less directly associated costs

The largest balance above relates to historic Alexandra Palace debts (shown under local charities). A large provision has been created, however the debt has not been written off. The loans to local business include the opportunity investment fund, and a loan to a business who operates some of Haringey's leisure facilities.

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

Budgeted Income and Outturn

The Council's treasury investment income for the year is forecast to be £137k which is in line with budget. Borrowing costs are forecast in line with budget at £20.4m (£16.4m HRA, £4.2m GF). Although, it is expected that the capital programme will lag forecast which will subsequently impact on the level of borrowing that the Council undertakes in the year.

Compliance

The Director of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	31.06.20	2020/21 Operational Boundary £m	2020/21 Authorised Limit £m	Complied
Borrowing	526.4	929.6	979.6	Yes
PFI and Finance Leases	28.1	28.1	30.9	Yes
Total Debt	554.5	957.7	1,010.5	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure, however Haringey's debt remained below this limit at all points during the quarter.

Table 8: Investment Limits

	Q1 Maximum	30.6.20 Actual	2020/21 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£5m	£5m	£5m each	Yes
Any group of organisations under the same ownership	£5m	£5m	£5m per group	Yes
Any group of pooled funds under the same management	£5m	£5m	£5m per manager	Yes
Negotiable instruments held in a broker's nominee account	Nil	Nil	£5m per broker	Yes
Foreign countries	Nil	Nil	£5m per country	Yes
Registered providers and registered social landlords	Nil	Nil	£5m in total	Yes
Unsecured investments with building societies	Nil	Nil	£5m in total	Yes
Loans to unrated corporates	Nil	Nil	£5m in total	Yes
Money Market Funds	£25m	£23.9	£25m in total	Yes
Real Estate Investment Trusts	Nil	Nil	£5m in total	Yes

Treasury Management Indicators

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

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

Table 9: Investment Security Indicator

	30.06.20 Actual	2020/21 Target	Complied
Portfolio average credit	3.7 (AA-)	7.00 (A-)	Yes

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

Table 10: Liquidity Risk Indicator

	30.06.20 Actual	2020/21 Target	Complied?
Total cash available within 3 months	£65.1m	£10.0m	Yes

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Table 11: Interest Rate Exposure Indicator

Interest rate risk indicator	30.06.20 Actual	2020/21 Target	Complied Yes/No
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	0.3m	£1m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-0.3m	£1m	Yes

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

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Table 12: Mature Structure Indicator

Maturity structure of borrowing	Lower Limit	Upper Limit	30.06.20
under 12 months	0	50%	15.4%
12 months & within 2 years	0	40%	7.5%
2 years & within 5 years	0	40%	15.8%
5 years & within 10 years	0	40%	4.7%
10 yrs & within 20 yrs	0	40%	15.5%
20 yrs & within 30 yrs	0	40%	8.5%
30 yrs & within 40 yrs	0	50%	15.5%
40 yrs & within 50 yrs	0	50%	17.0%
50 yrs & above	0	40%	0

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

Total short term borrowing: the Council has used short term borrowing (under 1 year in duration) from other local authorities extensively in recent years, as an alternative to longer term borrowing from PWLB, due to the lower interest rates, and corresponding revenue savings. Short term borrowing exposes the Council to refinancing risk: the risk that interest rates rise quickly over a short period of time and are at significantly higher rates when loans mature, and new borrowing has to be raised. With this in mind, the Authority has set a limit on the total amount of short term local authority borrowing, as a proportion of all borrowing.

Table 13 -Short Term Borrowing Indicator

Short term borrowing	Limit	30.06.20 Actual	Complied?
Upper limit on short term borrowing from other local authorities as a percentage of total borrowing	30%	4%	Yes

Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Authority'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:

Table 14 - Amount Invested Over 365 Days

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	Nil	Nil	Nil
Limit on principal invested beyond year end	£10.0m	£10.0m	£10.0m
Complied?	Yes	Yes	Yes

Report for: 3 December 2020 Corporate Committee

Title: Renaming of Black Boy Lane

Report authorised by: Rob Krzyszowski, Interim Assistant Director for Planning, Building Standards and Sustainability

Lead Officer: Jonathan Unger; Local Land Charges & Property Gazetteer Manager; x1791 (jonathan.unger@haringey.gov.uk)

Ward(s) affected: St Ann's / West Green

Report for Key/

Non Key Decision: N/A

1. Describe the issue under consideration

- 1.1. [Corporate Committee on 30 July 2020](#) noted and endorsed an approach to the proposed renaming of Black Boy Lane. This provided for a Consultation #1 (Non-Statutory) on two possible street names. This report summarises the responses to that Consultation #1 on the two possible street names which were 'La Rose Lane' and 'Jocelyn Barrow Lane'. The majority preferred 'La Rose Lane'. The report is recommending Corporate Committee to proceed to Consultation #2 (Statutory) regarding renaming Black Boy Lane to La Rose Lane.

2. Cabinet Member Introduction

- 2.1. The Black Lives Matters (BLM) movement and protests raised a number of important, and deeply challenging issues in relation to the different experiences that some people from Black, Asian or minority ethnic (BAME) backgrounds face. These are neither new, nor unique to Haringey. However, the BLM movement has given a renewed focus on the work still to be done to address inequalities within our society. This is as much about challenging racial injustice, as it is about representation and a celebration of the rich diversity in our borough.
- 2.2. The informal stage of consultation on the naming of Black Boy Lane has reconfirmed that there is a range of views on how the Council should continue to work towards its commitments to fostering community cohesion and celebrating diversity, as well as what we prioritise. Where there is broad consensus, is that if we were naming the road from scratch today, we wouldn't name it Black Boy Lane. Where there is difference is that for some this issue does not currently have a significant impact on their day to day life. Others recognise, or experience, the discomfort that the name brings. And for some, the modern-day connotations of the name are a source of deep offence and distress. This consultation is part of our wider Review on Monuments, Building, Place and Street Names in Haringey, and is in response to requests from

Haringey residents who have called on the Council to consider the name of the street.

3. Recommendations

The Committee is recommended to:

- 3.1. Consider the feedback from the Consultation #1 (Informal) on possible street names and to approve 'La Rose Lane' as the preferred choice;
- 3.2. Agree that the Council undertake a Consultation #2 (Statutory) on the proposal to rename Black Boy Lane to 'La Rose Lane' by posting or giving 'notice of intention' in accordance with Part II Section 6 of the London Buildings Acts (Amendment) 1939; and
- 3.3. The outcome of the Consultation #2 (Statutory) including any objections, and the proposed approach to voluntary payments and support, be reported back to the Committee for consideration and for a final decision on the proposal.

4. Reasons for decision

- 4.1. On 9 June 2020 the Mayor of London [announced a Commission for Diversity in the Public Realm](#) to review and improve the diversity across London's public realm to ensure the capital's landmarks suitably reflect London's achievements and diversity:

"The Commission will focus on increasing representation among Black, Asian and Minority Ethnic communities, women, the LGBTQ+ community and disability groups. London is one of the most diverse cities in the world, with more than 300 languages spoken every day, yet statues, plaques and street names largely reflect Victorian Britain – as highlighted by recent Black Lives Matter protests."

- 4.2. As a result of the Black Lives Matter movement and protests, residents of Haringey have raised concerns that this street name is not appropriate and have called on the Council to consider changing the name of the street. This is a response to those requests.

- 4.3. On 12 June 2020 the Leader of Haringey Council [announced a Review of Monuments, Building, Place and Street Names in Haringey](#):

"If we are to truly demonstrate our commitment and solidarity with the aims of the Black Lives Matter movement, we must seriously address these issues... Street names such as Black Boy Lane may have a more contested history, but we cannot ignore the fact that meanings change over time, and the term Black Boy is now used most commonly as a derogatory name for African heritage men. As a borough, everything we do must be a reflection of our values and to do this we must not shy away from correcting the mistakes of the past. This is why we will be

working with our residents, communities and organisations, and experts to understand the history of our street names and other memorials, to understand their true meaning and reflect on whether or not they are appropriate for our society today.”

4.4. The Council’s current [Street and Building Naming and Numbering Policy](#) is available on the Council’s website and is provided as Appendix 1. Specifically, the policy:

- States that “Renaming/renumbering of existing buildings and streets is normally only considered when changes occur which give rise (or are likely to give rise) to problems for the occupiers, Post Office or emergency services”.
- Follows London Fire Brigade guidance and conforms to the Data Entry Conventions and British Standards 7666 - which sets out best practice of how streets and properties should be formally addressed.

4.5. [Corporate Committee on 30 July 2020](#) noted and endorsed an approach to the proposed renaming of Black Boy Lane. This provided for a Consultation #1 (Non-Statutory) on two possible street names. That consultation was launched on 28 September running for 4 weeks until 26 October 2020. This was extended by 2 weeks and ran until 9 November 2020. This report summarises the responses to that Consultation #1 on the two possible street names which were ‘La Rose Lane’ and ‘Jocelyn Barrow Lane’. The majority preferred ‘La Rose Lane’. The report is recommending Corporate Committee to proceed to Consultation #2 (Statutory) regarding renaming Black Boy Lane to La Rose Lane.

5. Alternative options considered

5.1. An alternative option would be not to proceed with undertaking Consultation #2 (Statutory) ‘notice of intention’ regarding renaming Black Boy Lane. This option is dismissed as it is considered desirable to progress with the renaming of Black Boy Lane for the reasons set out in section 4 of this report.

5.2. Another alternative option would be to proceed with the renaming as Jocelyn Barrow Lane instead of La Rose Lane. This option is dismissed as it would not reflect the residents’ preference as expressed in the results of Consultation #1 (Non-Statutory).

6. Background information

6.1. As part of the Council’s wider Review of Monuments, Building, Place and Street Names, one of the street names that has been identified as needing immediate review is Black Boy Lane. Meanings change over time, and the term “Black Boy” is now used most commonly as a derogatory name for African heritage men.

Consultation #1 (Non-Statutory)

6.2. Consultation #1 (Non-Statutory) on 2x possible street names was launched on 28 September running for 4 weeks until 26 October 2020. This was extended by 2 weeks and ran until 9 November 2020. The biographies of the people on which the 2x possible street names were based on is as follows:

Dame Jocelyn Anita Barrow (15 April 1929 – 9 April 2020) was a Barbadian/Trinidadian British educator, community activist and politician, who was the Director for UK Development at Focus Consultancy Ltd. She was the first Black woman to be a governor of the British Broadcasting Corporation (BBC) and was founder and Deputy Chair of the Broadcasting Standards Council.

John La Rose (27 December 1927 – 28 February 2006) was a publisher, poet and essayist. He founded the Caribbean Artists' Movement and publishing company New Beacon Books which has a bookshop in Stroud Green. In 1975, he co-founded the Black Parents Movement from the core of the parents involved in the George Padmore Supplementary School incident in which a young Black schoolboy was beaten up by the police outside his school in Haringey.

John believed in fighting for racial equality, social justice and people's power. As part of that fight his vision was to make knowledge accessible so that all people could know about and make their own independent assessment of the past and their histories and go forward armed with that knowledge. This was his vision behind the founding of New Beacon Books, Britain's first Black publisher, in 1966. The Caribbean Artists Movement – founded also in 1966 by John, together with Edward Kamau Brathwaite, Barbadian poet, historian and essayist and Andrew Salkey, Jamaican journalist, poet, novelist and children's writer - sought to explore and validate a new independent aesthetic for Caribbean arts not reliant on metropolitan approval.

John came from a family of teachers in Trinidad and had two primary school age children when he first settled in Haringey in the early 1960s, so his subsequent involvement in educational issues in the UK grew naturally from what he and other West Indian migrants were facing at that time. He helped to found and run with parents and volunteers two local Supplementary Schools near his home in Finsbury Park. Later this activist core founded the Black Parents Movement (based in Haringey and Ealing), which, in alliance with the Race Today Collective (Brixton), Education for Liberation (Manchester) and Bradford Black Collective (Bradford/Leeds), was involved in significant Black campaigns against police violence and other miscarriages of justice during the 1970s, culminating in 1981 in the New Cross Massacre Action Committee (chaired by John) and the Black Peoples' Day of Action (led by John).

John's involvement in UK political, racial and cultural issues, together with his ties across the Caribbean, his close relationship with the Oilfields Workers Trade Union in Trinidad and his location in London, meant that his house and the New Beacon Bookshop on Stroud Green Road, became meeting places for people and movements from all over the world – poets, writers, political, educational and cultural activists. This Meeting of the Continents manifested itself in the International Book Fair of Radical Black and Third World Books – 12 Book Fairs and Book Fair Festivals over 14 years (1982-95) - of which John was director, and which Linton Kwesi Johnson has described as one of his greatest achievements.

Finally, there is the George Padmore Institute, founded by John in 1991, which he chaired until his death in 2006 at the age of 78. Situated on Stroud Green Road, the GPI is a small but well-respected archive and cultural/educational centre. It holds material on the campaigns, organisations, personalities, political and cultural issues that John was involved with. The GPI carries on John's vision and legacy to make knowledge about the past available to all as essential tools in the fight for racial equality, social justice and people's power.

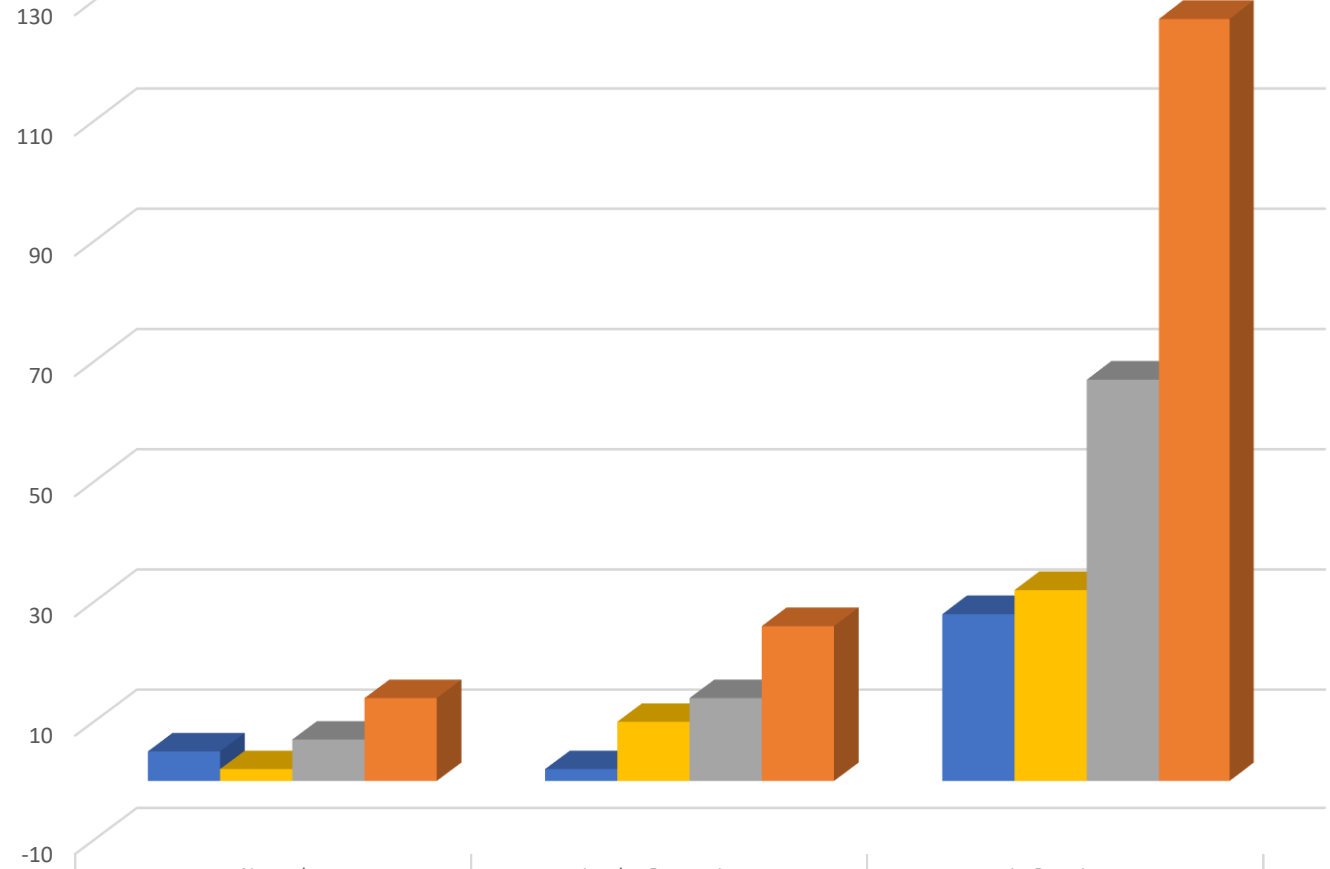
6.3. Consultation #1 involved:

- Letters sent to residents of Black Boy Lane in September and October
- Feedback and queries could be sent via
 - Webpage including a questionnaire survey: www.haringey.gov.uk/renaming-black-boy-lane
 - Email: bblconsultation@haringey.gov.uk
 - Telephone: 020 8489 3797
 - Post: Consultation Co-ordinator, The Communications Team, River Park House, 225 High Road, Wood Green, London, N22 8HQ
- Information provided about the 2x proposed names
- Frequently Asked Questions (FAQs) and answers provided
- Promotion via
 - Social media posts
 - Press release on the Council's webpage
 - 'Haringey People Extra' email bulletin
- An online meeting for residents shortly after the consultation period had closed on Thursday 12 November 6.30-7.30pm for further feedback to be expressed

6.4. The results from Consultation #1 showed that the residents/organisations of Black Boy Lane responded **in favour of La Rose Lane**. The results are summarised in the figure below.

Consultation #1 Response

No. of Responses



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Street Name Options

■ Black Boy Lane Residents	5
■ People who completed the survey stating they were Black Boy Lane residents but gave an address away from Black Boy Lane / Unknown	2
■ Non Black Boy Lane Residents	7
■ Total Responses	14

6.5. Further feedback from residents/organisations of Black Boy Lane was also received during the consultation period regarding issues beyond the choice of the two potential names. 62 residents of Black Boy Lane expressed concerns about the proposed renaming (with a further 3 non-residents / addresses not confirmed on Black Boy Lane doing so). 4 residents of Black Boy Lane expressed concern about the proposed 2 names (with a further 3 non-residents / addresses not confirmed on Black Boy Lane doing so). A summary of this feedback, and the Council's response, is set out below. The October letter to residents which includes FAQs responding to some of the points raised is also provided as Appendix 2. In addition to the feedback given directly to the Council, we are also aware of an online petition in support of renaming Black Boy Lane which as of 24 November 2020 had reached 293 signatures. Again, this is outside of the remit of Consultation #1 and was not submitted to the Council and so these figures are not included in the consultation response data but is noted here for background context. The Council is committed to provide reassurance in response to residents' concerns and to provide support should the renaming be formally approved.

Consultation #1 feedback	Council's response
The Black Boy Lane name is not about race – it may have been named after King Charles II or named after a black horse pulling a 'rag and bones' man's cart	The Council's proposal is in response to calls from residents regarding the distress that the current street name causes and for the diverse nature of Haringey to be reflected in the public realm, particularly in light of the Black Lives Matter movement. This is an opportunity for the contributions of Haringey's diverse communities to be positively recognised in a street name. The Council takes the view that the name may have been based on race. The original Black Boy Pub sign was changed after a campaign in the 1980s as it depicted a racist image of a Black child. Either way we recognise that meanings change, it is therefore no longer appropriate.
<p>Why were the 2x proposed names chosen? Why name after a person instead of something else, such as 'Chestnuts Lane'?</p> <p>Proposal for an alternative street name being Ernest Goffe; who was one of the first Black doctors in the UK and who joined St Ann's Hospital in 1907</p>	We believed – considering the current motivator for change was the Black Lives Matter movement – that it was appropriate to rename the street after a Black person whose life deserved recognition. A number of suggestions were made, by residents and elected members, and checked with the London Fire Brigade (as is required). The final two names were also discussed and agreed at a

<p>Objection to naming the street after people who have no local significant and national significance</p> <p>Cannot find any connection between the proposed street names and Black Boy Lane or our neighbourhood</p>	<p>meeting of St Ann's and West Green Ward Councillors.</p> <p>As described in the biography above, John La Rose has a long and lasting connection with Haringey, and has both local and national significance.</p>
<p>Further information could be provided about John La Rose to help inform residents</p>	<p>Additional information is provided in the biography above for John La Rose and will be provided in Consultation #2 materials.</p>
<p>Concerns about the inconvenience and costs of changing address and the need for a payment to be made to residents</p>	<ul style="list-style-type: none"> • The Council is committed to taking action to both addressing inequality, and celebrating the rich diversity of our borough. Whilst we recognise that there will be some inconvenience if the street name is changed, this must be balanced against the impact on those within our community who have called upon the Council to review the name if there is no change. • The original Corporate Committee report in July 2020 proposed voluntary payments and support to residents to acknowledge the inconvenience incurred. Further information is now provided in this report below. • As part of Consultation #2, the Council will simultaneously seek residents/organisations' feedback and views on support needed for them to make the adjustments and the level of voluntary payments. • The Council will notify as many organisations as we can on residents' behalf or provide pro-formas to assist residents where needed. • Should residents have issues with individual providers or companies they will be able to show a copy of the final Street Naming and Numbering Order document – an official document that will be provided to each household

	<ul style="list-style-type: none"> The Council will provide practical help and support during the name change process including 'pro-forma' documents and a named person that residents can speak to if they are facing any difficulties or need any particular support.
The consultation letters should have been provided in different languages to support those whose first language is not English and encourage their response	The letters for Consultation #2 (Statutory) will be made available in 5 languages (being Turkish, Spanish, Bengali, French, and Portuguese) and translation will be made available on request.
Some residents have not been notified of the consultation	A second letter in October was sent out to addresses on the street and the consultation was extended by 2 weeks. Further letters will be sent out for Consultation #2.
Has an Equalities Impact Assessment (EqIA) been carried out for this proposal?	Equalities considerations were noted in the 30 July Corporate Committee report and an EqIA is provided as Appendix 3 to this report. The EqIA would be updated for any future decision-making report.
There was nowhere on this consultation to disagree with the premise	This will form part of Consultation #2.
This is not the right time to be holding a consultation on this due to the coronavirus pandemic	It is appreciated that this is a difficult time for everyone and responding to consultations such as this may be more challenging. However, we believe that now, more than ever, we should seek to send out a clear message in support of the diversity of our borough. The consultation method and approach will be further adapted to take this into account and help support residents understand the issues and make their voice heard.
The proposed change will be expensive to execute and these resources should be spent on other priorities	The proposal can be undertaken within a financial budget specifically for advancing equalities and diversity matters, and can occur alongside, not instead of, all the other actions the Council is taking to tackle inequality and support recovery from the pandemic.
There was no formal consultation on changing the street name	Consultation #1 was a non-statutory consultation to take views of residents/organisations as to what

	their preferred street name option would be, in excess of the consultation required by law. As part of the statutory Consultation #2 residents and organisations will be given the opportunity to have their say.
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Voluntary payments

6.6. Whilst the Council is unlikely to be legally liable to pay compensation to those affected by any street name change the Council considers that it may be appropriate to make a payment in recognition of potential disruption.

6.7. The Council also has a legal duty under the Equality Act 2010 to consider the impacts of a decision on protected groups. The Equality Impact Assessment (EqIA) concludes that to mitigate any negative impacts on protected groups, some form of voluntary payments could be made to those affected, and support provided.

6.8. The Council acknowledges that residents and organisations will be inconvenienced and may have concerns in having to change addresses. Potential impacts are as follows:

- Addresses linked with accounts for online shopping etc
- Utility companies e.g. internet, telephone, electric, gas, water
- Bank accounts
- Mortgages
- Land Registry
- Credit ratings
- Insurance: home, contents, car, etc
- NHS / GP / hospital / pharmacy information
- Her Majesty's Revenue & Customs (HMRC)
- Driver & Vehicle Licensing Agency (DVLA)
- Tenancy agreements, deposit agreements etc
- Wills and other legal documentation
- Home Office / immigration / visa documentation
- Next of kin details
- Internet shopping / delivery addresses
- Organisations / businesses / self-employed – Companies House, websites, stationery, business accounts, invoices, contracts

6.9. The Council is therefore considering a figure of **£300 per household/organisation, as the amount for voluntary payments**. The Council expects that the equivalent time and cost contribution for the vast majority, if not all, of households/organisations will be significantly less than this. **This is not necessarily the Council's final figure and is not a formal decision for this Committee as part of this report.** As part of Consultation #2 we will seek residents/organisations' feedback and views on support needed for them to make the adjustments and the level of voluntary payments.

- 6.10. The Council acknowledges that each household/organisation and their sizes and circumstances will be very different. An alternative to the proposed flat rate per household/organisation amount would be a more tailored 'means tested' approach, which would require more inconvenience and uncertainty for households/organisations in providing evidence/receipts to the Council to assess and all the appropriate scrutiny and checks. The Council considers that a flat rate per household/organisation at a generous level as set out above is a fairer, quicker and simpler approach for households/organisations and still helps mitigate negative impacts they may experience.
- 6.11. The Council will publish more detailed information about any voluntary payments, Frequently Asked Questions (FAQs) and provide a support resource in due course.
- 6.12. To reiterate, the Council is unlikely to be legally liable to pay compensation to those affected by any street name change but the Council considers that it may be appropriate to make a payment in recognition of potential disruption and considers that the proposed approach is a fair and equitable contribution.

Consultation #2 (Statutory), next steps and timescales

- 6.13. The next steps for the potential renaming of Black Boy Lane and the approximate timescales are set out below (subject to change):
- **December 2020 / January 2021 – At least 1 month Consultation #2 (Statutory) 'notice of intention' / consultation on the proposal to rename Black Boy Lane to La Rose Lane. We will simultaneously seek residents/organisations' feedback and views on support needed for them to make the adjustments and the level of voluntary payments**
 - January/February 2021 – Consultation responses analysed
 - 4 February 2021 or later meeting – Corporate Committee to consider the outcome of consultation and make a decision on whether to change the street name to La Rose Lane or not, with a later effect date to be determined
 - Notify residents and organisations of the decision and the next steps
 - Spring 2021 TBC – Continued information provided to residents and organisations regarding any voluntary payments, Frequently Asked Questions (FAQs) and a support resource
 - Spring 2021 TBC – Effect date

7. Contribution to strategic outcomes

- 7.1. The Borough Plan's Equality Principles state "Haringey Council is committed to the principles of equality of opportunity, fairness and quality of life for all, both in terms of how we work with the community and in our role as an employer".

7.2. The Borough Plan's People Priority has a vision for "a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential". The People Priority states we will "tackle the barriers that disproportionately affect the independence, health and wellbeing of some residents, using a social model to tackling disadvantage that looks at the systemic and other barriers that can prevent people from, achieving their potential". The Priority also states "we will work alongside local communities in confronting challenges early and in building cohesive, supportive and connected communities which nurture, protect and support all residents".

7.3. Outcome 5 of the People Priority is for "Happy childhood: all children across the borough will be happy and healthy as they grow up, feeling safe and secure in their family and in our community". Objective 5d) states "Children will grow up free from violence and fear of violence in the community wherever they live in the borough".

7.4. Outcome 8 of the People Priority is for "Strong communities where people look out and care for one another". Objective 8c) "Caring and cohesive communities which can offer support" states we will "Develop multi-agency approaches to tackle and reduce Hate Crime based on a zero tolerance approach: crime targeted at people because of their race, religion, disability, sexual orientation or gender identity".

7.5. Outcome 11 of the Place Priority is for "A culturally engaged place" includes objective a/b) to "Foster a strong and diverse cultural offer". It states we will "Celebrate what is distinctive about Haringey so that our residents are inspired to take part in the great culture on their doorstep and attract visitors from across London and beyond to join us".

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

Finance

8.1. The report seeks approval to the Council undertaking a 'notice of intention' to allow a Consultation #2 (Statutory) on renaming Black Boy Lane to La Rose Lane.

8.2. Subject to a positive outcome of this consultation, there will be further cost implications such as cost of replacing street name plates and bus stop changes which the Council estimates to be approximately £5k. These costs will be met from existing budgets.

8.3. The proposed voluntary payment of £300 per household payable to up to 182 households will cost £ 55k which will be met from provision set aside within Corporate Budgets.

Procurement

N/A

Legal

- 8.4. The Council has the power to rename streets and roads in the borough. Under Part II Section 6 of the London Building Acts (Amendment) 1939, the Council may by order substitute the name of any street, way, place, row of houses or block of buildings with any name they think fit. The 1939 Act is a Local Act and a local choice function. Under the Council's constitution, the function is a non-executive function allocated to the Corporate Committee.
- 8.5. The Council is required to consult on the proposed change. Before making an order, the Council shall (at their option) either: post notice of their intention in some conspicuous position in the street way or place or adjacent to the row of houses or block of buildings; or give notice of their intention by circular delivered at every building situated in the street way or place or forming part of the row of houses or block of buildings (s.6(2) 1939 Act).
- 8.6. Every notice must state how and when (allowing at least 1 month) objections to the intended order may be sent to the Council (s.6(3) 1939 Act).
- 8.7. The Council must consider any objections before making the order. The Council may amend any name they propose to assign having regard to any objection (s.6(3) 1939 Act).

Equality

- 8.8. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not
- 8.9. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.10. The report recommends the Council undertakes a statutory 'notice of intention' to allow a Consultation #2 (Statutory) on renaming Black Boy Lane to La Rose Lane in St Ann's ward. The reasons for the proposed approach to rename the road reflect the Council's commitment to equality, diversity, and inclusion, and arise from an anti-racist social movement. A renaming that results from the proposed approach may be considered a measure to foster a community that shares these values. As such, a renaming may be a step towards fostering good relations within the community between people who share the protected characteristic of race and ethnicity and white British residents.

8.11. The approach includes extensive consultation. In order to meet the Council's public sector equality duty this consultation will be inclusive of all residents and reasonable adjustments will be made to this end. These may include, but will not be limited to, publication of information in a range of formats, use of multiple channels to gather views of residents, and making translation available on request. If consultation reveals any potential for indirect discrimination based on any of the protected characteristics, the Council is obliged to consider measures that may prevent or mitigate any such impact. The results of Consultation #1 (Non-Statutory) are provided above, and the Council's response, show how the Council is mitigating the impacts identified.

8.12. The Council also collected diversity monitoring information from those who responded to Consultation #1. A summary of that diversity monitoring information and how it compares to Haringey / St Ann's ward as a whole is outlined in the EqlA (Appendix 3).

Use of Appendices

Appendix 1 - Guidelines for street and building naming and numbering

Appendix 2 - Letter to Residents, including FAQs, October 2020

Appendix 3 - Equality Impact Assessment (EqlA)

9. Local Government (Access to Information) Act 1985

Guidelines for street and building naming and numbering

- [Naming of buildings and streets](#)
- [Numbering of buildings](#)
- [Renaming or renumbering of buildings and streets](#)
- [Contact](#)

Naming of buildings and streets

1. New street names should not duplicate a name already in use in the borough or neighbouring boroughs. Variations to the terminal word (street, road, avenue etc.) will not be accepted as a different name
2. New street names should be of local significance and unsuitable names should be avoided
3. Street names should not be difficult to pronounce or awkward to spell. In general, words of more than three syllables should be avoided and this includes the use of two words, except in special cases
4. Subsidiary names should only be used in roads of short length - for instance a row of buildings on a road already called a 'Terrace'
5. Building and street names should not be named after a living person. We only consider naming a building or street for a deceased person if they are of local significance. We may also need to seek permission from the persons estate. In seeking approval for any name, we must still apply the part of the policy that avoids duplicating names
6. All new street names should end with one of the following suffixes:

Table: naming of buildings and streets

Suffix:	Reason for use:
Road	for any thoroughfare
Street	for any thoroughfare
Way	for major roads
Avenue	for residential roads
Drive	for residential roads
Grove	for residential roads
Lane	for residential roads
Gardens	subject to there being no confusion with any local open space
Place	subject to there being no confusion with any local open space
Crescent	for a crescent shaped road
Close	for a cul de sac only
Square	for a square only
Hill	for a hillside road only
Circus	for a large roundabout

Mews	provided it does not repeat the name of the road from which access is gained
Vale	for residential roads. Only for exceptional circumstances
Rise/Row	for residential roads. Only for exceptional circumstances
Mead/Wharf	for residential roads. Only for exceptional circumstances

Non acceptable suffixes:

- End
- Court
- Cross
- Side
- View
- Walk
- Park
- Meadow

All of these words can be incorporated in a street name, provided it is terminated with an appropriate suffix (eg: Mile End Road).

7. All new pedestrian ways to end in the following suffixes:

- Walk
- Path
- Way

8. No building or street name is to start with 'the'.

9. All new block names should end in one of the following suffixes:

- House
- Court
- Lodge
- Apartments
- Mansions - residential only
- Point – High block residential
- Tower/Heights – High block offices or residential.

10. For private houses, the name cannot repeat the name of the road or any house or building in the area.

11. The use of North, East, South or West (as in Alfred Road South) is only acceptable where the road is continuous and passes over a major junction. It is not acceptable when the road is two separate parts with no vehicular access between the two. In such a case, one half should be completely renamed.

12. Avoid having two phonetically similar names within a postal area and, if possible within a borough, eg Alfred Road and Alfred Close or Church Hill Road and Birch Hill Road.

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Numbering of Buildings

1. A new street should be numbered with even numbers on one side and odd numbers on the other, except for a Cul-de-sac where consecutive numbering in a clockwise direction is preferred.
2. Private garages and similar buildings used for housing cars should not be numbered.
3. The correct numerical sequence will be used for street numbering and no exceptions will be made for any numbers.
4. Buildings (including those on corner sites) are numbered according to the street that the main entrance appears on. Any manipulation of numbering to obtain a different address is not acceptable.
5. If a building has entrances in more than one street but it is a multi-occupied and each entrance leads to a separate occupier, then each entrance should be numbered in the appropriate road. Exemptions may be made depending on the circumstances, for a house divided into flats.
6. A named building may not have more than one number in one street.
7. In residential buildings (eg blocks of flats) it is usual to give a street number to each dwelling where the block is up to six storeys in height. When the block exceeds this or where there are not sufficient numbers available because of an existing development, the building should be given a name and number in the street. Within named buildings developers are advised to number flats on each floor in a clockwise direction. If this is not possible consult their local sorting office. When flats are numbered internally, they should be numbered not lettered. (eg Flat 2, 21 Smith Street not Flat A, 21 Smith Street and not 21A Smith Street which might already be used by an adjoining infill building)
8. The use of numbers followed by letters is permitted. These are needed, for instance, when one large old house in a road is demolished and replaced by (say) four smaller houses. To include the new houses in the numbering sequence would involve renumbering all the higher numbering houses on that road. If a considerable number of other houses would be affected, then to avoid this, each new house should be given the number of the old house with either A,B,C or D added.
9. No use of punctuation except for the abbreviation of St, Saint.
10. No numbers are to be used within the name of a building or street.

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Renaming or Renumbering of Buildings and Streets

Renaming/renumbering existing buildings and streets is normally only considered when changes occur which give rise (or are likely to give rise) to problems for the occupiers, Post Office or emergency services.

Leader and Cabinet Office

Cllr Joseph Ejiofor
Leader of the Council

**Important: Consultation on street renaming**

[Fname] [Sname],

Add1

Add2

Tottenham

London [Pcode]

27th October 2020

Dear [Fname] [Sname],

RE: Renaming of “Black Boy Lane”

I am writing to you in relation to the proposal to change the name of your street. Some of your neighbours have already responded to the letters that I sent in July and in September. However, I now understand that not all residents saw those letters. This has led to some concerns and confusion about the process, its implications and how you can have your say. I am sorry that this is the case, and hence I am writing to you again in order to clarify some of these matters. I am also enclosing a copy of the original letter sent in September for your information.

As residents of “Black Boy Lane”, I would be surprised if you were unaware of how difficult and uncomfortable that many Haringey residents feel about the name of your street.

Haringey Council believes that the names of our monuments, buildings, places and streets must reflect the values and diversity that we are so proud of in the borough. Meanings change overtime, and the term “Black Boy” is now most commonly used as a derogatory name for men of African heritage.

The truth is, that if we were naming the street now, we would not be calling it “Black Boy” Lane, and irrespective of the historical reasons behind naming it more than a century ago, as a community, as a society, we have to ask whether it remains an appropriate street name now.

Haringey Council completely understands the very practical concerns that some residents may have about the inconvenience a name change may cause. However, I want to reassure you, in particular, of the following:

- Haringey Council will notify as many organisations as we can on your behalf, including Royal Mail, the national address database, Veolia, Thames Water, the Land Registry and others. We will compile a full list of these in due course and share it with you.
- Your postcode and house number will not change. Therefore, there should be no interruption to your post, even if not all those companies that normally write to you are immediately notified.

- Should residents have issues with individual providers or companies they will be able to show a copy of the final Street Naming and Numbering Order document – an official document that will be provided to each household.
- The Council will provide practical help and support during the name change process including ‘pro-forma’ documents and **a named person** that residents can speak to if they are facing any difficulties or need any particular support.
- A change in the name of the street will not affect any resident’s immigration status. Any resident with a visa or who is in the process of applying for one will be able to make a change to their address online and there is no charge for doing so.
- Residents will be provided with a financial payment, to compensate residents for their inconvenience. It is important to say at this stage that we do not recognise the figure of £3,000 per household, however we will confirm the exact amount of financial support that will be paid to residents, shortly, once we understand the costs that residents would incur, though we believe it will more than cover any costs you may incur.

In addition, to this there is an updated Frequently Asked Questions list at the end of this letter.

I understand that some residents are concerned that the current consultation is the only chance they have to express a view. This is not the case.

When the proposed name change was first raised, we had a number of names proposed, including from residents. We believed – considering the current motivator for change was the Black Lives Matter Movement – that it was appropriate to rename the street after a black person whose life deserved recognition. A number of suggestions were made, and these were checked with the London Fire Brigade (as is required) and also at a meeting of St Ann’s and West Green Councillors.

The current informal consultation with residents is on *choosing an alternative name*.

There will be a statutory formal consultation at the end of the year, asking residents for their view on *whether* to change the name to the chosen alternative name or not.

I recognise that undertaking the consultation in these stages may have given the impression that this was the only opportunity to share your views. We simply wanted to get residents views on potential alternatives, before launching a formal consultation on the principle of the change.

As some residents may not yet have had the chance to express a view on the proposed alternative road names yet, I am extending this part of the consultation until Monday 9th November.

You can respond to this consultation online at www.haringey.gov.uk/renaming-black-boy-lane. Alternatively, if you wish to submit comments by email or telephone, please contact bblconsultation@haringey.gov.uk or call our Street Naming and Numbering Team on 020 8489 3797 and we will respond to your queries.

You can also send written submissions in response to the consultation. Letters should be addressed to Consultation Co-ordinator, The Communications Team, River Park House, 225 High Road, Wood Green, London, N22 8HQ.

As I am sure you already know, the two names being considered are 'Jocelyn Barrow Lane' and 'La Rose Lane'.

Dame Jocelyn Anita Barrow (15 April 1929 – 9 April 2020) was a Barbadian/Trinidadian British educator, community activist and politician, who was the Director for UK Development at Focus Consultancy Ltd. She was the first Black woman to be a governor of the British Broadcasting Corporation (BBC) and was founder and Deputy Chair of the Broadcasting Standards Council.

John La Rose (27 December 1927 – 28 February 2006) was a publisher, poet and essayist. He founded the Caribbean Artists' Movement and publishing company New Beacon Books which has a bookshop in Stroud Green. In 1975, he co-founded the Black Parents Movement from the core of the parents involved in the George Padmore Supplementary School incident in which a young Black schoolboy was beaten up by the police outside his school in Haringey.

In order to engage further with you on this important topic and to give you an opportunity to share your questions with me directly, I am also organising an on-line meeting for the residents of the Lane on Thursday 12th November 6.30-7.30pm. If you would like to join in the meeting please email Leader@haringey.gov.uk and we will send you the link and instructions for joining.

I understand that changing the name of your street may cause some inconvenience, however, I hope that you will agree that we simply cannot ignore historical decisions that are now inappropriate in today's world.

Together, we can create a borough that reflects our amazing communities, and a street with a name that you, your families and communities can be proud of.

I appreciate your support and understanding on this matter and look forward to meeting some of you soon.

Regards,



Cllr Joseph Ejiofor
Leader of the Council

FAQs – Renaming of “Black Boy Lane”

Background

1. What are the timescales?

The planned timescale is as follows:

Informal consultation on two alternative street names i.e. ‘Jocelyn Barrow Lane’ and ‘La Rose Lane’ for 6 weeks from Monday 28th September to Monday 9th November 2020.

November 2020 – We will analyse your responses to the consultation which will inform the chosen new street name

Late 2020 – Decision by the Council’s Corporate Committee on whether to progress to changing the name or not. If the Committee decides to progress, it will decide to undertake the formal statutory consultation on the chosen new street name

Late 2020 / early 2021 – Notification of, and formal statutory consultation on, the chosen new street name

Early 2021 – Council final decision on whether to change to the chosen new name or not

Spring 2021 – Effect date of the new name

The Council will keep residents informed throughout the process

Once completed, Haringey Council will provide each household with a copy of the Street Naming and Numbering Order as official proof of the change to use when updating your details, and we will also offer additional practical support to residents including a named council officer to contact.

2. Where can I find guidance on the Street & Building Naming & Numbering process?

You can find our current Street Naming & Numbering guidance on our website by visiting <https://www.haringey.gov.uk/parking-roads-and-travel/roads-and-streets/street-and-building-naming-and-numbering/guidelines-street-and-building-naming-and-numbering>

If you cannot access the Internet, then please contact the Street Naming & Numbering Team on 020 8489 3797 and we will be happy to discuss the process with you.

3. Where can I find out more information on the Council’s review on building place and street names in Haringey?

You can find the statement from the Leader of Haringey Council on our website, www.haringey.gov.uk/leader-names-review or you can email bblconsultation@haringey.gov.uk for more information or with any queries you have.

4. Will I need to inform Royal Mail of the change to the street name?

No. The Council will inform all relevant stakeholders, including (but not limited to), Council Tax, Waste Collection (Veolia), London Fire Brigade and Royal Mail of the address change. Because your postcode won't change, a change in the road name, should not affect any letters or parcels sent via Royal Mail.

5. Will I need to inform my bank, mortgage, insurance, health, employment, utility companies, Companies House and other organisations such as HM Passport Office etc. of the street name change?

Yes, you will need to inform some of these organisations yourself. However, the Council will inform as many as we can. Also, many organisations use the National Address database and so your details would be automatically updated. Unfortunately, we cannot inform all organisations and residents will have to do some of this themselves. We will provide model letters for residents to fill in and send and also copies of the official name change Order, which will be proof of the name change.

We will ensure you have plenty of notice before any name change takes effect. The Council's change to the street name will be updated on a national Address Database and most companies use this database and will show the new street name shortly after this. Please note that some companies might use older address information and may not update this regularly.

Should you have issues with some providers you can show them a copy of the final Street Naming and Numbering Order to help alleviate this.

6. Will the Council reimburse me for the cost of updating my information with organisations?

In most cases there isn't a cost to updating your address details. However, the council will make a voluntary payment per household to contribute to any costs that may arise from this process. The details of this are still being worked on to ensure it is an appropriate amount. We will confirm this as soon as possible.

7. Will there be new street name plates?

Yes, the Council will provide replacement street name plates, showing the new name once the street name has been approved and the Order produced. The Council will also inform Transport for London of the change and be responsible for making sure that TfL update all their relevant information, including nearby bus stops.

8. Will I need to update my title deeds with HM Land Registry?

No, the Council will also contact HM Land Registry to provide them with an update so that your title deeds and any other information held by them will be updated to reflect the new street name.

9. Will this affect my residency or UK Visa?

At the point at which any change in road name takes effect, if you have previously applied or are in the process of applying for a UK visa, you may need to update your address as part of your application. Haringey Council will provide a Street Naming and Numbering

Order as official proof of the change to use when updating your details, and any other practical support to do this. This can be done online and there is no cost.

10. How much will it cost the council to change the name?

The process is being managed within existing resources. There are some direct costs of changing the street plates and for printing and posting letters to residents but these costs total less than £10,000. The most significant cost will be the payments to residents. Once the amount of this payment has been fixed we will be able to provide an estimate of total costs.

11. Has Haringey Council completed an equality impact risk assessment on the name change to Black Boy Lane and, if so, may I be provided with a copy please?

We have not completed an equality impact assessment so far. This will be completed ahead of the formal consultation planned for the end of the year and will be publicly available.

12. Why were the previous letters not address to residents directly?

Due to data protection rules the Council is not allowed to use data we hold on residents for other purposes eg Council Tax information, to write to you about unrelated matters. This time we have used data from the Electoral Register, which is publicly available, and from your correspondence with us on this topic to put together a list of residents.

13. Why didn't the consultation ask us if we want to change the name?

The current informal consultation on an alternative name, is simply the first step in the consultation process with residents. There will be a further formal consultation at the end of the year, asking residents for their view on whether to change the name to the chosen alternative or not. We recognise that undertaking the consultation in two stages may have given the impression that this was the only opportunity to share your views. We simply wanted to get residents views on potential alternatives, before launching a formal consultation on the principle of the change.

14. Is there a way to take part in the consultation for people who do not have internet access?

If you wish to submit comments by telephone, please contact our Street Naming and Numbering Team on 020 8489 3797 and we will respond to your queries.

You can also send written submissions in response to the consultation. Letters should be addressed to Consultation Co-ordinator, The Communications Team, River Park House, 225 High Road, Wood Green, London, N22 8HQ.

15. Will it cost me £3000 to make all the necessary changes to my address details?

No. Most organisations and companies allow customers to change contact details for free for instance the DVLA change driving licence details free of charge when you inform them of an address change. The Council will inform as many organisations as possible on your behalf.

16. I'm told utility companies buy address lists from the Royal Mail. Will the Council inform Royal Mail for us?

Yes.

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EQUALITY IMPACT ASSESSMENT

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to the need to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advancing equality of opportunity between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on protect characteristics, please proceed to stage 2 and complete a full Equality Impact Assessment (EqIA).

Stage 2 – Full Equality Impact Assessment

An EqIA provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an EqIA has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the Council's Equality Impact Assessment Guidance before beginning the EqIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Renaming of Black Boy Lane to La Rose Lane
Service area	Planning Policy, Transportation & Infrastructure
Officer completing assessment	Jonathan Unger - LLC & LLPG Manager
Equalities/ HR Advisor	Hugh Smith
Cabinet meeting date (if applicable)	Corporate Committee 3 December 2020
Director/Assistant Director	David Joyce/Rob Krzyszowski

2. Summary of the proposal

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *The decision-making route being taken*

The proposed decision is to change the name of the street Black Boy Lane to La Rose Lane.

This will affect and impact mainly upon the residents and businesses of the street.

The decision on the proposal is to be made by the Corporate Committee following a period of statutory consultation with affected stakeholders.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. Please include any gaps and how you will address these

This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national. For restructures, please complete the restructure EqIA which is available on the HR pages.

Protected group	Service users	Staff
Sex	Census 2011	N/A
Gender Reassignment	EHRC	N/A
Age	St Ann's Ward Profile	N/A
Disability	St Ann's Ward Profile	N/A
Race & Ethnicity	St Ann's Ward Profile	N/A
Sexual Orientation	St Ann's Ward Profile	N/A
Religion or Belief (or No Belief)	St Ann's Ward Profile	N/A
Pregnancy & Maternity	Census 2011	N/A

Marriage and Civil Partnership	St Ann's Ward Profile	N/A
<p>Outline the key findings of your data analysis. Which groups are disproportionately affected by the proposal? How does this compare with the impact on wider service users and/or the borough's demographic profile? Have any inequalities been identified?</p> <p><i>Explain how you will overcome this within the proposal.</i></p> <p><i>Further information on how to do data analysis can be found in the guidance.</i></p>		
<p><u>Age</u></p> <p>The Population Age of St Ann's Ward show that the overall population spread mirrors that seen in Haringey, with 20-44 (49.9%) making up the largest proportions of residents and 65+ (8.7%) make up the smallest proportions.</p> <p><u>Sex</u></p> <p>51% of St Ann's ward residents are male and 49% are female.</p> <p><u>Gender Reassignment</u></p> <p>There is very little robust data on Haringey or the UK's trans population. However, it is estimated that there are between 200,000 and 500,000 people who identify as trans in the UK. There is no reason to believe that there are specific impacts for this protected group and we will try to ensure that discrimination, harassment, and victimisation is tackled based on this and any other protected group</p> <p><u>Sexual Orientation</u></p> <p>3.6% of residents in Haringey identify as Gay, Lesbian, Bisexual or another non-Heterosexual sexuality. Within this group just over half identify as Gay or Lesbian, just over one in four identify as Bisexual, and around one in seven identify as 'Other'. There is no reason to believe that there are specific impacts for this protected group and we will try to ensure that discrimination, harassment, and victimisation is tackled based on this and any other protected group</p> <p><u>Pregnancy and Maternity</u></p> <p>St Ann's ward has a slightly higher number of young children (under 5) than the average among Haringey wards, at 1,167 compared to 1,132.</p> <p><u>Race and Ethnicity</u></p> <p>In St Ann's those of White Other ethnicity represent the largest group (31.2%). This group is overrepresented in St Ann's compared to the Haringey average.</p>		

Those of White British ethnicity (23.1%) make up the second largest ethnic group in St Ann's, though this group is under-represented in the ward compared to the wider borough (34.7%).

The majority of residents in the St Ann's Ward (60% or 8,436) speak English as their main language. Furthermore 23% (3,173) residents speak other EU languages with French (2%; 217), Greek (2%; 318), Italian (2%; 268), Portuguese (2%; 274), Polish (6%; 773), Romanian (2%; 289) being the second highest total.

Aside from that other main languages spoken in the St Ann's Ward is multiple African languages with a total of 447 residents (9%) with Somali (2%; 174) representing the highest proportion.

In the St Ann's Ward the United Kingdom as the Country of birth represents the largest group (45.3%; 6,632), followed by all European Countries being the second highest total (24.8%; 4,243). All African (8.8%; 1,338), Asian (3.9%; 710), The America's and Caribbean (8.2%; 959) and Australasia (1%; 140) represent the smaller proportional groups.

Disability

Residents in St Ann's Ward have a slightly higher rate at 17.9% for long term health problems or disabilities than the rate overall for Haringey (16.7%).

Religion/Belief

St Ann's Ward largely follows the wider borough pattern regarding Religion, with Christianity (46.5%) being the main religion and Islam representing the second largest religion (17.1%) St Ann's has a very small proportion of Jewish residents (0.7%) compared to Haringey more widely (3%).

This proposal may potentially lead to inequalities on Age and Disability and consideration will have to be given to people with disabilities, or older people, who may need further assistance to deal with the street name changing and the updating of their documentation.

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please outline which groups you may target and how you will have targeted them

Further information on consultation is contained within accompanying EqIA guidance

Consultation #1

Informal consultation with the residents of Black Boy Lane involved:

- Letters sent to residents/organisations in September and October
- Feedback and queries could be sent via
 1. Webpage including questionnaire survey: www.haringey.gov.uk/renaming-black-boy-lane

2. Email: bblconsultation@haringey.gov.uk
 3. Telephone: 020 8489 3797
 4. Post: Consultation Co-Ordinator, The Communications Team, River Park House, 22 High Road, Wood Green, London, N22 8HQ
- Information provided about the 2x proposed names
 - Frequently Asked Questions (FAQs) and answers provided
 - Promotion via:
 1. Social Media Posts
 2. Press release on the Council's webpage
 3. 'Haringey People Extra' email bulletin
 - Online meeting for residents (Thursday 12 November) shortly after consultation period closed for further feedback to be expressed.

The range of different media and methods being used (i.e. webpage, telephone, post, letter) was intended to ensure all groups were made aware of the consultation.

Consultation #2

- **December 2020 / January 2021** – At least 1 month Consultation #2 (Statutory) 'notice of intention' / consultation on the proposal to rename Black Boy Lane to La Rose Lane. We will simultaneously seek residents/organisations' feedback and views on support needed for them to make the adjustments and the level of voluntary payments
- January/February 2021 – Consultation responses analysed
- 4 February 2021 or later meeting – Corporate Committee to consider the outcome of consultation and make a decision on whether to change the street name to La Rose Lane or not, with a later effect date to be determined
- Notify residents and organisations of the decision and the effect date
- Spring 2021 – Continued information provided to residents and organisations regarding any voluntary payments, Frequently Asked Questions (FAQs) and a support resource

The formal consultation will involve similar methods as set out above for Consultation #1 but will also include:

- The consultation #2 letter produced in 5 languages that are most representative of St Ann's Ward. These being Turkish, Spanish, Bengali, French, and Portuguese. Further translation will be made available on request.
- Provide all residents/organisations a freepost envelope in which to respond to the consultation.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

According to Street Index (from Haringey's Electoral Services), Black Boy Lane comprises 167 properties with 257 electors.

Consultation #1

Responses were individually examined to identify their location. A total of 239 responses were received, but the majority of responses have come from those who do not live in Black Boy Lane. Furthermore, nearly 30% of responses come from outside Haringey.

Of the responses received 78% (127) were not residents of Black Boy Lane. 22% (35) were residents of Black Boy Lane.

57% (20) of Black Boy Lane residents who responded and completed the equalities monitoring form were in the age range of between 25-44, which is approximately in line with the corresponding age range of 20-44 year olds in the St Ann's Ward (49.9%).

23% (8) of the Black Boy Lane residents who responded and completed the equalities monitoring form were in the age range of between 45-64. A further 11% (4) were aged 65+ and this is in line with corresponding age ranges in the St Ann's Ward (8.7%).

93% (26) of responses received from Black Boy Lane residents who completed the equalities monitoring form stated, 'no disabilities' with 4% (1) response received for both 'Mental ill health' and 'Long Term illness or condition'. The other 3% (7) did not answer this question. The proportion of residents of St Ann's Ward with a limiting long term health problem or disability is 17.9%.

49% (17) of Black Boy Lane residents who completed the equalities monitoring form stated their country of birth as 'United Kingdom', which is slightly higher than in the St Ann's Ward (45.31%). 11% (4) were blank and the other responses were: Algeria; 6% (2), Australia; 3% (1), Bangladesh; 3% (1), Cyprus; 6% (2), Ethiopia; 3% (1), France; 3% (1), Italy; 3% (1), Jamaica; 3% (1), Netherlands 3% (1), New Zealand; 2 (6%) and Poland 3% (1). This is in line with the corresponding range in the St Ann's Ward.

80% (28) Black Boy Lane residents who completed the equalities monitoring form stated that their first language is English. 11% (4) did not respond and a further 3 (9%) stated different languages being Greek, Italian and Polish. This is approximately in line with St Ann's Ward.

The content of the responses received in Consultation #1 are summarised in the main Corporate Committee report. This also includes the Council's response to show how concerns, including those relating to equalities, may be addressed / mitigated / minimised.

Consultation #2

The formal consultation will involve similar methods as set out above for Consultation #1 but will also include:

- The consultation #2 letter in 5 languages that are most representative of St Ann's Ward. These being Turkish, Spanish, Bengali, French, and Portuguese. Further translation will be made available on request.
- Provide all residents a freepost envelope in which to respond to the consultation.
- Residents/organisations' feedback and views on support needed for them to make the adjustments and the level of voluntary payments

Findings will be included following completion of the statutory consultation.

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqlA guidance

1. Sex *(The proposal will affect men and women equally. However, lone parents, the vast majority of whom are women, may be disproportionately affected by costs associated with the need to update documentation to reflect the change in street name)*

Positive		Negative	X	Neutral impact		Unknown Impact	
----------	--	----------	---	----------------	--	----------------	--

2. Gender reassignment *(This proposal will not impact based on this characteristic)*

Positive		Negative		Neutral impact	X	Unknown Impact	
----------	--	----------	--	----------------	---	----------------	--

3. Age *(Older people may experience negative impacts associated with disruption and costs caused by the change in the street name. Consideration will have to be given to older people who may need further assistance to deal with the street name changing and the updating of their documentation)*

Positive		Negative	X	Neutral impact		Unknown Impact	
----------	--	----------	---	----------------	--	----------------	--

4. Disability *(Disabled people may experience negative impacts associated with disruption and costs caused by the change in the street name. Consideration will have to be given to people with disabilities who may need further assistance to deal with the street name changing and the updating of their documentation)*

Positive		Negative	X	Neutral impact		Unknown Impact	
----------	--	----------	---	----------------	--	----------------	--

5. Race and ethnicity *(The reasons for the proposed approach to rename the road reflect the Council's commitment to equality, diversity, and inclusion, and arise from an anti-racist social movement. A renaming that results from the proposed approach may be considered a measure to foster a community that shares these values. As such, a renaming may be a step towards fostering good relations within the community between people who share the protected characteristic of race and ethnicity and white British residents. However, BAME people are more likely than average to be on lower incomes. They may therefore be disproportionately impacted by the need to update documentation to reflect the change in the street name.)*

Positive	X	Negative	X	Neutral impact		Unknown Impact	
----------	---	----------	---	----------------	--	----------------	--

6. Sexual orientation *(This proposal will not impact based on this characteristic)*

Positive		Negative		Neutral impact	X	Unknown Impact	
----------	--	----------	--	----------------	---	----------------	--

7. Religion or belief (or no belief) *(The population of St Ann's broadly reflects the population of Haringey as a whole in terms of religious affiliation. This proposal will therefore not impact any religious group disproportionately.)*

Positive		Negative		Neutral impact	X	Unknown Impact	
----------	--	----------	--	----------------	---	----------------	--

8. Pregnancy and maternity *(This proposal will not impact based on this characteristic as pregnant women are not expected to be impacted disproportionately)*

Positive		Negative		Neutral impact	X	Unknown Impact	
----------	--	----------	--	----------------	---	----------------	--

9. Marriage and Civil Partnership *(This proposal will not impact based on this characteristic as people in marriages and people in civil partnerships will be treated the same)*


Positive		Negative		Neutral impact	X	Unknown Impact	
----------	--	----------	--	----------------	---	----------------	--

10. Groups that cross two or more equality strands e.g. young black women

Groups that cross two or more equality strands and who are more likely to be affected by the proposal due to costs associated with documentation changes and barriers to such changes include:

Older disabled people
 Older BAME people
 BAME people with disabilities
 BAME lone parents
 Lone parents with disabilities

<p>Outline the overall impact of the policy for the Public Sector Equality Duty:</p> <ul style="list-style-type: none"> • Could the proposal result in any direct/indirect discrimination for any group that shares the relevant protected characteristics? • Will the proposal help to advance equality of opportunity between groups who share a relevant protected characteristic and those who do not? This includes: <ul style="list-style-type: none"> a) Remove or minimise disadvantage suffered by persons protected under the Equality Act b) Take steps to meet the needs of persons protected under the Equality Act that are different from the needs of other groups c) Encourage persons protected under the Equality Act to participate in public life or in any other activity in which participation by such persons is disproportionately low • Will the proposal help to foster good relations between groups who share a relevant protected characteristic and those who do not? 	
<p>The reasons for the proposed approach to rename the road reflect the Council's commitment to equality, diversity, and inclusion, and arise from an anti-racist social movement. A renaming that results from the proposed approach may be considered a measure to foster a community that shares these values. As such, a renaming may be a step towards fostering good relations within the community between people who share the protected characteristic of race and ethnicity and white British residents.</p> <p>Without mitigation, any final decision to actually rename the street (subject to the outcome of Consultation #2 and a subsequent Corporate Committee decision) could potentially result in direct/indirect discrimination of certain groups. That is why, in the original July 2020 Corporate Committee the Council suggested that whilst it is unlikely to be legally liable to pay compensation to those affected, it considers that it may be appropriate to make a payment in recognition of potential disruption. This could help mitigate any negative impacts on protected groups. Further mitigation would include providing support to residents to make the change, as set out in the main Corporate Committee report.</p>	
<p>6. a) What changes if any do you plan to make to your proposal as a result of the Equality Impact Assessment?</p> <p>Further information on responding to identified impacts is contained within accompanying EqIA guidance</p>	
Outcome	Y/N
<p>No major change to the proposal: the EqIA demonstrates the proposal is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken. <u>If you have found any inequalities or negative impacts that you are unable to mitigate, please provide a compelling reason below why you are unable to mitigate them.</u></p>	N

Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy. If there are any adverse impacts you cannot mitigate, please provide a compelling reason below			Y
Stop and remove the proposal: the proposal shows actual or potential avoidable adverse impacts on different protected characteristics. The decision maker must not make this decision.			N
6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty			
Impact and which relevant protected characteristics are impacted?	Action	Lead officer	Timescale
Financial / time impact of making adjustments (Various groups)	Consultation #2 will involve seeking residents/organisations' feedback and views on support needed for them to make the adjustments and the level of voluntary payments	LLC & LLPG Manager	For Consultation #2
Please outline any areas you have identified where negative impacts will happen as a result of the proposal but it is not possible to mitigate them. Please provide a complete and honest justification on why it is not possible to mitigate them.			
No impacts which cannot be mitigated in some way.			
6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:			
Monitor impacts through the support provided to those in helping them make adjustments.			
7. Authorisation			
EqIA approved by  Rob Krzyszowski, Interim Assistant Director, Planning, Building Standards & Sustainability (Assistant Director/ Director)		Date 24/11/20	
8. Publication			
<i>Please ensure the completed EqIA is published in accordance with the Council's policy.</i>			

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

Report for: Corporate Committee – 3 December 2020

Title: Audit & Risk Service Update
Quarter 2 (Jul – Sept 2020)

Report authorised by: Assistant Director of Corporate Governance

Lead Officer: Minesh Jani, Head of Audit and Risk Management
Tel: 020 8489 5973
Email: minesh.jani@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

- 1.1 This report details the work undertaken by the in-house Audit and Fraud Resources team, as well as our outsourced partner Mazars, for the quarter ending 30 September 2020. A combined report has been produced to update the Committee as during quarter two the team continue to face the unprecedented circumstances of all working remotely from the Council offices due to COVID-19.

2. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

- 3.1 The Corporate Committee is recommended to note the activities of the team during quarter two 2020/21.

4. Reasons for decision

- 4.1 The Corporate Committee is responsible for monitoring the effectiveness of the Council's Internal Audit Strategy; policies on Anti-Fraud and Corruption and receiving assurance with regard the Council's internal control environment and mechanisms for managing risk. In order to facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Corporate Committee with regards Audit and Anti-Fraud efforts and at bi- annually updates on Risk Management are provided.

5. Alternative options considered

- 5.1 Not applicable.

6. Background information

- 6.1 The information in this report has been compiled from information held by Audit & Risk Management.

7. Contribution to strategic outcomes

- 7.1 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 key Priority areas.

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

8.1 Finance and Procurement

There are no direct financial implications arising from this report although the impact of Covid-19 on planned activity has been clearly highlighted throughout the report. The work completed by the Team is funded from within the Audit and Risk Management revenue budget. The maintenance of a strong proactive and reactive fraud investigation team is a key element of the Council's system of Governance.

8.2 Legal

The Council's Deputy Monitoring Officer has been consulted in the preparation of this report and has no comments.

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.

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.

9. Local Government (Access to Information) Act 1985

Not applicable.

10. Performance Management Information

- 10.1 Local performance targets have been agreed for Audit and Risk Management, these are reported against in the sections below.

11. INTRODUCTION

- 11.1 This report covers the period from 01 July 2020 to 30 September 2020.
- 11.2 The Team's in-house resources have not been significantly impacted resource level wise by COVID-19 in quarter two. Business continuity plans were enacted in March the working practices of the team have adapted to enable the team to continue to fulfil its role in the council. Risk assessments exist locally and to meet corporate requirements, to ensure safe working practices whilst identifying new ways of working, that reduce the need for face to face contact as much as possible.
- 11.3 The members of the team who were redeployed and on carers leave, in quarter one, have returned to work in the team for quarter two. The level of resource provided by Mazars also increased again in July to enable the work to deliver the audit plan to recommence and service teams operate again in a 'new' business as usual way. The business grant project's the council has been required to deliver since April 2020 have had the most significant impact on the work of the team. The resources required to support this project and provide assurance both pre-payments to prevent fraud and risks related to non-compliance with the guidance and also post payment and post event assurance, is estimated to have equated to two FTEs throughout quarter two.
- 11.4 The Management Team continues to meet twice a month. Daily calls with teams remain in the diary throughout the quarter to ensure health and wellbeing although these are attended less frequently now and more on a needs basis due to the current workloads. Ad hoc meetings can be started by anyone in the team when required using the 'Teams' technology available to all IT enabled council officers.

12. INTERNAL AUDIT

- 12.1 In quarter two the internal audit resources available to the council start to return to normal with Mazars colleagues who had been furloughed returning which enabled our new core team to be fully operational. The new team includes more focus on specialist areas of expertise particularly, relating to housing and IT. The Council's Internal Audit in house resources working to deliver the audit plan in quarter two has been equivalent to 0.7 FTE. The Head and Deputy Head of Audit and Risk have invested time, as in quarter one, continuing to respond to the changing needs of stakeholders during the period. The audit plan was reviewed and re approved to ensure COVID risks were considered. Audit continues to be flexible and agile to support the work of service and responding to new and emerging risks by providing advice and guidance.
- 12.2 The Head of Audit & Risk has continued to work with the Council's Director of Finance and Monitoring Officer to ensure that the governance framework remains robust and offering both general and specific risk advice to support Directors, as over the summer we saw a return to a new business as usual environment. Meetings of the Statutory Functions Board have taken place fortnightly throughout quarter two providing a timely forum for formal discussion about statutory responsibilities to take place.

- 12.3 The Head and Deputy Head of Audit & Risk have continued to be involved with the two Emergency Business Grant projects the Council has delivered as well as new ones relating to discretionary grants, in response to government policy, and the voluntary community sector grants which was a local scheme. Our role has been in an advisory capacity supporting the project team to quantify risk and make informed decisions regarding process and control. As the project to make payment on the main grant scheme drew to a close in September the focus of our work will moved to increased post payment assurance work and embarking on the post event work required by central government.
- 12.4 Troubled Families returns have been audited and assurances provided to the Department for Ministry of Housing, Communities and Local Government (MHCLG) that the information provided by the Troubled Families Team in pursuit of funding is correct.
- 12.5 There has been significant planning work undertaken by Mazars with regards the 2020/21 Internal Audit Plan which will need to be delivered in a reduced timeframe to ensure the assurances required for the 2020/21 Head of Internal Audit Opinion are available. Risk-based systems audits have recommenced however none were at a final report stage at the end of quarter two.

13. RISK MANAGEMENT

- 13.1 For 2020/21 a service objective was to strengthen risk management in the Council, again this planned work continues to been adjusted to provide input and support to management regarding the risk arising due to Covid-19 and also those that may increase over time. A Covid-19 risk register was created focussing on both internal and external risks. These were reported to Statutory Functions Board and will continue to be monitored throughout 2020/21 until all risks are closed or moved onto other business as usual risk registers.
- 13.2 As noted above the team have advised management to support risk management decisions in the two grants projects in quarter two. Fraud risks were inherently high in both projects and significant work by the project teams needed to be undertaken to manage this risk to within the Council's risk appetite. The lessons learned from these projects are being fed into other similar grant distributing projects.
- 13.3 In quarter two the Head and Deputy Head of Audit were invited to join the IT service for their periodic review of their risk register. It is noted that the approach to 'formal' risk management activity is maturing in this area. An audit on cyber security was in progress in quarter two and the findings will be fed into the risk register to support management in mitigating this high inherent risk area.
- 13.4 There has also been significant activity noted in the Programme to deliver new homes in the Borough. The Risk Management activities have bedded into the project and programme governance.

14. ANTI-FRAUD ACTIVITY

- 14.1 The team undertake a wide range of anti-fraud activity but have two work areas where annual performance targets are in place. One relating to Tenancy Fraud and the other Right to Buy Fraud. These targets have been consistently achieved in recent years. Financial values can be 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. No new national indicators have been produced; therefore, although this value is considered low compared to potential TA costs if the property has been identified as sub-let for several years, Audit and Risk Management continue to use this figure of £18k per property for reporting purposes to provide an indication of the cost on the public purse of fraud activity.

14.2 Table 1 Local Performance Targets – anti fraud activity

Performance Indicator	Q2	YTD	Financial Value	Annual Target
Properties Recovered	7	10	£180k+	50
Right to Buys prevented	15	38	£4m +	80

14.3 Tenancy Fraud – Council properties

- 14.4 The Fraud Team works with Homes for Haringey (HfH) to target and investigate housing and tenancy fraud, which forms part of HfH's responsibilities in the Management Agreement. HfH continue to fund a Tenancy Fraud Officer co-located within the Fraud Team.
- 14.5 The Fraud Team will continue to work with HfH to identify the most effective use of fraud prevention and detection resources across both organisations 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. Covid-19 has obviously impacted on outcomes in comparing activity to the same period in 2019 we note that 98 referrals were received 2019: 38 referrals 2020. 26 properties were recovered at this point in 2019 compared to the ten noted above.

14.6 Table 2 Tenancy Fraud Activity and Outcomes

Opening Caseload	191	
New Referrals received	24	
Total		215
Properties Recovered	7	
Case Closed – no fraud	12	
Total		(-) 19
Ongoing Investigations		196

14.7 Of the 196 ongoing investigations; 2 files are being prepared for prosecution and 107 of these cases (55%) are with other teams for action. Properties will be included in the 'recovered' data when the keys are returned, and the property vacated.

14.8 Right-to-buy (RTB) applications

14.9 As at 30 September 2020 there were approximately 218 ongoing applications under investigation. As predicted in the quarter one report the applications received increased again, back to business as usual levels, in quarter two after low numbers in quarter one. The team reviews every RTB application to ensure that any property where potential tenancy, benefit or succession fraud is indicated can be investigated further. The numbers of tenants applying to purchase their properties under the Right to Buy legislation has been reducing in recent years and whilst the reasons are not known with certainty, two possibilities are perceived to be (i) as valuations continue to rise and (ii) increased awareness in the council's robust due diligence around money laundering.

14.10 During Q2, 15 RTB applications were withdrawn or refused either following review by the fraud team and/or due to failing to complete money laundering processes. Year to date outcomes total 38. This performance is not significantly down on the same period in 2019 when the outcome was 41.

14.11 COVID-19 prevented visits from taking place, based on risk other mechanisms of assurance have been deployed to ensure statutory timescales in the process are met. It is noted that for applications received in quarter two no visit took place, by the Homes for Haringey team. In quarter two the fraud team did undertake urgent visits based on a risk assessment, where desk-based checks did not meet our risk appetite. The change in guidance as a result of the national lockdown will be considered in risk assessment for quarter three activity.

14.12 **Gas safety – execution of warrant visits**

The Fraud Team accompany warrant officers on all executions of 'warrant of entry' visits where it is suspected that the named tenant is not in occupation. This activity has not been undertaken in quarter two and we are in liaison with Homes for Haringey as we understand it will recommence in quarter three. This activity not taking place for over half of the year will have an impact on our results potentially as it is noted that at end of Q2 in 2019/20 12 property recoveries had been achieved as a direct result of these visits and the team had another 10 active investigations.

14.13 **Pro-active counter-fraud projects**

During 2020/21, the Fraud Team will continue with a number of pro-active counter-fraud projects in areas that have been identified as a high fraud risk. Progress reports on this work will be reported to the Corporate Committee during the year; the findings and outcomes are all shared with service managers as the projects are delivered. In Q2 the proactive efforts have been focused on the new grants projects and reviewing any complex cases to assist management in making robust decisions that are compliant with the guidance and approved scheme.

14.14 **No Recourse to Public Funds (NRPF)**

As at 30 September, 30 referrals have been received and responded to by the Fraud Team in this financial year. Eight were received in quarter two. This compares to ten for quarters one and two in 2019/20. The role of the 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.

14.15 **Internal employee investigations**

In accordance with the Council's Constitution, the in-house Fraud Team investigates all allegations of financial irregularity against employees. Four (4) employee investigations were in progress at the start of quarter two, no new referrals were received by the team during the period.

The Fraud Team work closely with officers from HR and the service area involved to ensure that the investigation is completed as quickly as possible.

14.16 **Whistleblowing Referrals**

The Head of Audit and Risk Management maintains the central record of referrals made using the Council's Whistleblowing Policy. In quarter two the three quarter one whistle blowers were closed. Two new referrals were made during quarter two.

14.17 **Prosecutions**

As at 30 September 2020 one Tenancy Fraud cases have been prepared and are with Legal Services for a Court application. One further prosecution is in progress for Homes for Haringey.

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Report for: Corporate Committee – 3 December 2020

Item number:

Title: Corporate Risk Management Policy

Report

authorised by : Assistant Director of Corporate Governance

Lead Officer: Minesh Jani, Head of Audit and Risk Management

Tel: 020 8489 5973

Email: minesh.jani@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-Key decision

1. Describe the issue under consideration

1.1 The Corporate 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 In order to facilitate this, the corporate risk management policy is provided to members for review and approval

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

The Corporate Committee

3.1 Reviews and approves the Corporate Risk Management Policy and associated Risk Management Strategy.

3.2 Notes the Covid risk register as at 31 October 2020.

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 Corporate Committee is responsible for reviewing and approving the Risk Management Policy as part of its Terms of Reference.

4.2 The Corporate Committee is also asked to note the Covid risk register and the key risks identified by management within council services.

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

8.1 Finance and Procurement

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.

8.2 Legal

The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report, and has no comments.

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.

8. Use of Appendices

Appendix A – Corporate Risk Management Policy

Appendix B – Covid Risk Register 2020

Appendix C – Risk Management Guidance

9. Local Government (Access to Information) Act 1985

Not applicable.

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HARINGEY COUNCIL

**RISK MANAGEMENT
POLICY STATEMENT**

**and
STRATEGY**

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Policy History					
Version	Summary of Change	Contact	Implementation Date	Review Date	EqIA Date
9.1	Updates to structures and responsibilities	Head of Audit & Risk Management	January 2018	Dec. 2018	Oct. 2014
10.1	Updates to structures and responsibilities	Head of Audit & Risk Management	September 2020	July. 2020	July. 2020

Links and Dependencies
Anti-Fraud and Corruption Policy Programme Management guidelines Information Security Policies Code of Conduct

Related Forms
Risk Registers Priority/ Project Highlight reports Declaration of Interest/receipt of gift or hospitality forms

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RISK MANAGEMENT POLICY STATEMENT

The Council recognises that there will be risks involved in delivering its objectives and priorities, but by managing those risks and making the most of opportunities, it can ensure the desired outcomes can be delivered and use its limited resources more effectively.

The Council's priorities relate to the borough and sometimes to the wider London area and their achievement can be influenced by a large variety of risks and opportunities. Effective risk management allows key risks and opportunities to be identified, understood and proactively managed. Good risk management leads to improved strategic, operational and financial management and improved customer services.

Haringey Council wants to:

- Integrate risk management into the culture of the Council;
- Manage risk in accordance with good practice;
- Anticipate and respond to changing social, political, environmental, legislative and technological requirements;
- Prevent injury, damage and losses and reduce the cost of risk; and
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.

The Council will achieve this by:

- Establishing clear roles, responsibilities and reporting lines within the Council for risk management – everyone should take ownership for risk management;
- Incorporating risk management considerations into all levels of service development and planning;
- Providing opportunities for shared learning on risk management across the Council and with partner organisations;
- Offering a framework for allocating resources to identified priority risk areas;
- Reinforcing the importance of effective risk management as part of the everyday work of employees by offering training; and
- Monitoring of arrangements, at all levels, on an on-going basis by management.

OFFICIAL RISK MANAGEMENT STRATEGY

1. INTRODUCTION

- 1.1 No organisation, whether in the private, public or third sector can achieve its objectives without taking risk. The question is how much risk they need or want to take – the ‘risk appetite’ the Council has. The Council wants to deliver on its priorities, while at the same time upholding the agreed values and ethos of the organisation, so it needs to understand, identify and manage risk effectively; and obtain assurances that the governance framework is operating as it expects.
- 1.2 There are also key statutory requirements for the Council to manage in relation to risk management including: The Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020; the Civil Contingencies Act 2004; and the Health and Safety at Work Act 1974 and its related legislation. Internally, the Council has developed various performance and programme management frameworks, including business continuity and emergency planning – which all require risk management to be considered.
- 1.3 This risk management strategy seeks to implement the policy statement by providing an overview of Haringey’s risk management framework; the governance and assurance processes; and aims to ensure that everyone responsible for managing and taking decisions is aware not only of the key risk management functions, but also their responsibilities in relation to them.

2. WHAT IS RISK MANAGEMENT?

- 2.1 **Risk:** the effect of uncertainty (positive or negative) on objectives. For Haringey, risk can be defined as: *‘Anything that poses a threat (or is a missed opportunity) to the achievement of our priorities, programmes or service delivery to the residents, businesses and communities of Haringey’.*
- 2.2 **Risk management:** the co-ordination of activities that direct and control the Council with regard to risks. It is commonly accepted that risk management involves both the management of potentially adverse effects as well as the realisation of potential opportunities.

3. WHY IS RISK MANAGEMENT IMPORTANT?

- 3.1 The Council provides a wide variety of services and has a range of service delivery mechanisms, so there is great potential for risks to arise. Effective risk management enables the Council to:
- Maximise performance;
 - Minimise the need to divert funds from agreed priorities and services;
 - Encourage creativity;
 - Minimise losses; and
 - Ensure the Council’s reputation is preserved and enhanced.

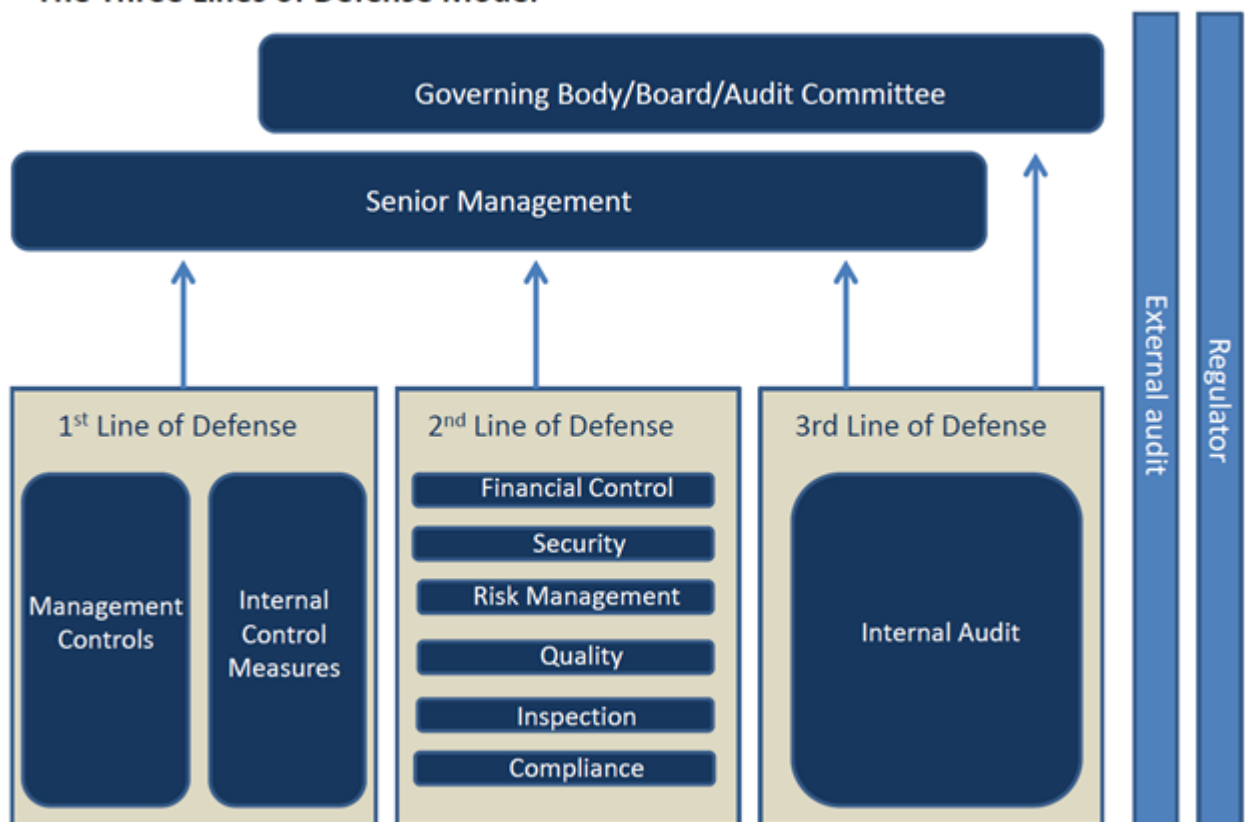
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- 3.2 The aim is to understand and manage risk, rather than eliminate it altogether. Successful risk management is about getting the balance right and being clear about the level of risk the Council wants to accept (the risk appetite). There will be a range of appetites for different risks which need to align to assess the risks successfully; and these appetites may well vary over time.
- 3.3 Risk management sits alongside routine governance and compliance functions to ensure priorities are delivered as expected.

4. A FRAMEWORK FOR MANAGING AND RECORDING RISKS

- 4.1 The Council's framework for risk management focuses on the 'three lines of defence' model:
- 1) **First line:** self-assurance. Business operations which perform day to day risk management activity;
 - 2) **Second line:** oversight functions. These senior business functions set policies, procedures and have functional oversight of the first line of defence;
 - 3) **Third line:** independent challenge. These independent functions challenge the levels of assurance provided by business and oversight functions: internal audit; external audit; and other independent review/regulator functions.

The Three Lines of Defense Model



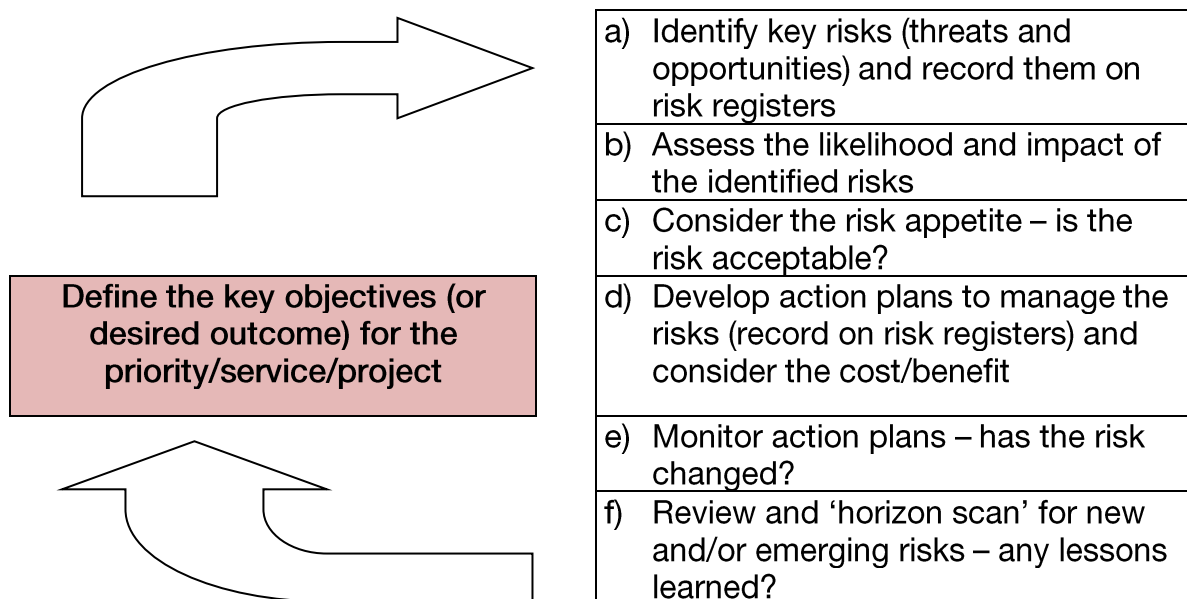
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- 4.2 This framework is designed to ensure that decisions are based on a robust approach, risk assessments are conducted in a consistent manner, and a common language is used and understood across the Council. While ‘risk appetite’ can vary across priorities, services, or projects, the Council has agreed the following statement to guide managers in taking decisions and assessing risk:

The Council is not willing to accept risks that may result in adverse reputation impact; significant financial loss or exposure; serious regulatory non-compliance; or serious injury to staff, residents, service users, the environment, or businesses.

- 4.3 Keeping adequate records on risk management should support effective decision making; and provide assurance to managers and independent reviews that key controls are in place and managed. The key elements in the risk management process to identify, assess and manage risks are outlined below:

The Risk Management Process



- 4.4 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 it would have to be quantified.
- 4.5 The risk registers should be considered as a ‘risk action plan’ that record the status of priorities/services/projects; provide a record of key controls that are in place to manage the risks; and identify any further controls or actions that may be required. Each risk register should also detail which officer(s) are responsible for managing the risks.

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5. GOVERNANCE AND ASSURANCE

5.1 The Council's business planning system cascades from the Borough Plan priorities, through to service area plans and programme plans and further down to team plans and project management plans; and ultimately into individual 'My Conversation' plans. Everyone in the Council is involved in risk management and should be aware of their responsibilities in identifying and managing risk appropriately. The key roles and responsibilities in relation to risk management are set out in Appendix 1 to this strategy.

5.2 The Council has governance structures that support risk management at the strategic, corporate and operational levels, as follows:

- **Strategic:** Full Council, Cabinet, and Corporate Committee set and review the strategic direction, priorities and performance.
- **Corporate and Operational:** Senior Leadership Team, Statutory Functions Board, Corporate Leadership and Management Groups, Programme Management structures provide clear lines of reporting, accountability and responsibility.

5.3 All levels of management need to be aware of the current state of progress against achieving their priorities. In assessing whether key governance processes are in place, and providing assurance on these managers should have:

- a) clarity about what their strategic priorities are and what is being measured to demonstrate success/outcomes;
- b) assurance that the right controls are in place to help them achieve their priorities; and these are implemented/adhered to;
- c) performance information about current levels of achievement; and assurance regarding the reliability of the performance information;
- d) assurance that risk appetite is applied consistently in relation to strategic and operational priorities;
- e) knowledge of the risk management decisions taken and why; and
- f) assurance that the actions agreed are being implemented and will be monitored.

5.4 Assurance that each element of the governance framework is operating effectively can be obtained via independent review and challenge undertaken by e.g. internal audit, external audit, OFSTED, CQC; and also via self-assessment processes in support of the Council's statutory Annual Governance Statement.

6. INTEGRATION WITH OTHER CORPORATE PROCESSES

6.1 **Business Planning.** The Council's Corporate Plan is linked to its priorities; each has an identified director/assistant director as a 'priority lead' with responsibility for ensuring delivery of the priority. The Council's budgets are aligned to the priorities, which may also be linked to one of the corporate programmes. Each priority should have a risk register to identify and manage its risks which highlights any interdependencies on other priorities, programmes and corporate



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processes. The corporate risk register is owned by the Statutory Functions Board and is informed by identification of emerging strategic, priority and programme risks.

- 6.2 Programme and Project Management.** The need to identify and manage risk is central to the Council's Programme and Project Management Methodology, taking account of any risks linked to priorities, which should be managed by respective Programme Managers and Priority Leads. Specific guidance on the effective management of key risks is provided for Programme/project Managers, Sponsors and Boards and the framework requires risks affecting each project to be reviewed and reported to the relevant project board. Reports to the Senior Leadership Team and members are also provided on a regular basis as part of the reporting cycle.
- 6.3 Corporate Governance.** The Accounts and Audit Regulations 2015 as amended require the Council to publish an 'Annual Governance Statement' (AGS) with its statement of accounts. The AGS is a key corporate document that details the corporate governance arrangements that were in place during the year and highlighting any significant gaps or areas where improvement is required. Risk Management is an integral part of good governance and a key component of the AGS in terms of how it serves to support transparent decision-making and accountability to stakeholders. Reports are provided to the Statutory Functions Board and Corporate Committee on an annual basis.
- 6.4 Performance Management.** Risk management is also linked with performance management as one element of business and service planning. Corporate guidance on performance management ensures that key performance measures are in place and monitored. Reports on service performance and outcomes are provided on a quarterly basis to Cabinet.
- 6.5 Business Continuity Planning (BCP).** The Council has a statutory responsibility to 'assess the risk of an emergency occurring' under the Civil Contingencies Act 2004. This responsibility is undertaken in partnership with other agencies (e.g. the Emergency Services), and the resulting Community Risk Register is signed off at the Local Resilience Forum. In addition, all service areas are required to produce and review a Business Continuity Plan in accordance with corporate standards. Regular exercises test the operation of corporate and local BCPs.
- 6.6 Health Safety and Wellbeing.** Risks are addressed based on the Health and Safety Executive's 'Sensible Risk Management' strategy, which the Council has adopted. Managers at all levels are required to ensure that key risk assessment processes, e.g. display screen assessments and safe working practices, are completed on a regular basis. Reports to the Statutory Officers' Group and members detailing compliance with the Council's policies are provided on a regular basis.

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- 6.7 Partnership/Commissioning.** The Council also has a responsibility, which is statutory in some cases, to ensure that the management of risk strategy covers bodies working in partnership with the Council. Managers and commissioning officers should determine what form and frequency of information is required from partners and commissioned organisations, but both the risk appetite and risk management arrangements for all parties need to be understood and agreed in advance. Corporate guidance is provided to ensure that statutory requirements and corporate standards are fulfilled.
- 6.8 Fraud and corruption.** The Council's anti-fraud and corruption policy requires all managers to take responsibility for setting up appropriate controls to enable the prevention and detection of business risks, including fraud. Assurance on compliance is provided via internal and external audit testing and reports provided to the Statutory Functions Board and Corporate Committee on a quarterly basis.
- 6.9 Information sharing and security.** The Council is required to comply with statutory responsibilities to ensure that information is shared appropriately to guarantee its availability, confidentiality and integrity. Third parties and the Council should have safeguards and information sharing protocols in place to comply with data protection requirements. All staff are responsible for ensuring the safety and security of information and electronic systems and are supported by guidelines in the various Council/Shared Digital IT Security policies. The Council has appointed a SIRO (Security Information Risk Officer) whose role is to take ownership of the organisation's information risk policy, act as an advocate for information risk.
- 7. REPORTING AND MONITORING**
- 7.1** Risk management is a continual process requiring regular review to ensure appropriate actions are taken at the right time by the right people. The Council's various risk management processes each have their required reporting and monitoring framework which are incorporated into the Council's overall assurance framework. This will ensure that these activities are co-ordinated effectively to enable appropriate risk management processes across all elements of the framework.
- 7.2** The Council lead officers for each of the risk management activities will ensure that appropriate training and guidance are available to members and officers, relevant to their needs and responsibilities.

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7.3 Risks/opportunities are escalated and reported in various ways via review of e.g. service area risk registers, programme and project documentation, key decisions taken by Cabinet.

7.4 The corporate risk management policy and strategy is published on the Council intranet. The document is kept under review and reported to the Corporate Committee on a regular basis for formal review and approval.

7.5 An assessment of the Council's risk management policy and processes forms part of the Annual Governance Statement.

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Roles and Responsibilities in Risk Management

Appendix 1

Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
Cabinet/ Cabinet Members	<ul style="list-style-type: none"> To be aware of the Council's strategic risks and those relating to their respective portfolios. To ensure that corporate risks are effectively managed in accordance with Council policy. To ensure that risk management implications are considered when making decisions. 	<ul style="list-style-type: none"> Key decisions in accordance with the Council Constitution Corporate Plan Policy reports for all service areas Performance management reports Programme and Project Management reports 	<ul style="list-style-type: none"> As and when required Quarterly Monthly
Corporate Committee	<ul style="list-style-type: none"> To ensure that there is an effective risk management strategy in place. To receive and consider the corporate risk register and approve the Council's risk management policy and strategy. To provide independent assurance on the adequacy of the risk management framework and internal control environment, including the Annual Governance Statement. To be satisfied that appropriate action is being taken in respect of managing the Council's risk and internal control environment. 	<ul style="list-style-type: none"> Review and approval of Risk Management Policy and Strategy Review of the corporate risk register Review of Annual Governance Statement Review of internal and external audit reports Review of the Annual Audit Letter and Head of Audit report 	<ul style="list-style-type: none"> Annually Annually Annually Quarterly Annually
Strategic Leadership Team	<ul style="list-style-type: none"> To oversee the corporate approach to managing risk. To ensure that members are advised of the risk management implications of decisions. 	<ul style="list-style-type: none"> Key decision reports for Cabinet Corporate Plan Performance reports Programme and Project Management reports 	<ul style="list-style-type: none"> As and when required Monthly Monthly

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Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
Statutory Functions Board	<ul style="list-style-type: none"> To ensure that a co-ordinated and consistent approach to the identification and management of risk is adopted, in accordance with the Council's strategy. To identify the Council's key strategic risks and ensure that these risks are appropriately managed; and to have in place appropriate review and monitoring arrangements. To support and monitor the implementation and ongoing processes for embedding risk management throughout the Council. To receive and review periodic updates to ensure that strategic and operational risks are being managed appropriately. 	<ul style="list-style-type: none"> Review of Risk Management Policy and Strategy Review of the corporate risk register Review of Annual Governance Statement Review of internal audit and counter-fraud reports Risk reports from all statutory officers Health and safety reports Business continuity and emergency planning reports 	<ul style="list-style-type: none"> Annually Quarterly Bi-annually Quarterly Monthly Quarterly Bi-annually
Directors; Assistant Directors; Priority Leads; Programme Managers; Heads of Service	<ul style="list-style-type: none"> To ensure that a co-ordinated and consistent approach to the identification and management of risk is adopted for their area in accordance with the Risk Management Policy. To ensure that identified risks are appropriately managed and to have in place effective review and monitoring arrangements. To maintain appropriate corporate documentation (risk registers, project management documents, business continuity, health and safety etc) and ensure that these are reviewed and monitored/ tested within agreed timescales. To provide evidence and reports to support 	<ul style="list-style-type: none"> Key decision reports for Cabinet Corporate Plan Performance reports Programme and Project Management reports Service area risk registers Business continuity and emergency planning reports Review of internal audit and counter-fraud reports Programme and Project Management reports Annual Governance Statement 	<ul style="list-style-type: none"> As and when required Monthly Monthly Quarterly Bi-annually As required Annually

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Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
	preparation of the Council's Annual Governance Statement.		
Audit & Risk Management	<ul style="list-style-type: none"> To develop a risk-based internal audit programme and audit the key risk and internal control processes across the Council. To provide assurance to managers and members on the effectiveness of risk management and controls. To provide advice and guidance to managers on operational risks and ensure appropriate risk financing arrangements are in place. To provide advice and guidance on operational systems and processes to mitigate risks. 	<ul style="list-style-type: none"> Review of Risk Management Policy and Strategy Review of the corporate risk register Review of Annual Governance Statement Report on internal audit and counter-fraud activity 	<ul style="list-style-type: none"> Annually Quarterly Bi-annually Quarterly
Organisational Resilience	<ul style="list-style-type: none"> To develop and implement a corporate Health, Safety and Wellbeing and BCP policy in accordance with statutory requirements To provide advice and guidance to managers on health, safety and wellbeing and BCP matters and ensure compliance with corporate policy. Identification and assessment of health, safety and wellbeing and BCP risks in accordance with corporate policy and timetables. To ensure appropriate action plans are in place to treat identified risks. To maintain appropriate corporate documentation and ensure that these are reviewed, monitored and reported within agreed timescales. 	<ul style="list-style-type: none"> Health and safety reports Business continuity and emergency planning reports 	<ul style="list-style-type: none"> As necessary Quarterly

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Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
Employees	<ul style="list-style-type: none"> To understand their responsibility to take reasonable care in carrying out their work to ensure risks to them, colleagues and the Council are minimised where possible. To co-operate in matters relating to the mitigation of risk and advise managers of any risks they become aware of. 	<ul style="list-style-type: none"> Report accidents/incidents and risks according to their service area 	<ul style="list-style-type: none"> As necessary

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COVID-19 RISK REGISTER @ 31/10/2020

No.	Risk Event Description	Service	Risk Owner	Current Impact	Current Likelihood	Current Risk Score	Proximity	Mitigating Actions
2	Risk of being unable to cope with surge capacity in the health and care system and surge in referrals and Child Protection for social care.	Haringey workforce and essential services	Director of Adults and Public Health Director of Children's Services Operational Services / functions	5	5	25	Immediate	Identify essential services Identify the minimum staffing levels needed per essential service Gather data on staff in non-essential services who can be redeployed if needed Review prioritisation methods in essential services – including collection of waste from those who have / suspected of having virus in Haringey Agree basket of Key Performance Indicators for essential services that are monitored and can be used to provide early warnings Identify likely surge capacity period and when
3	Risk to essential service delivery as a result of front-line staff self-isolating (availability of staff - make the risk holistic, include possibility of sickness)	Haringey workforce, Digital Services and essential services	Corporate Board BECC Operational Services / functions	4	2	8	Immediate	As per risk (1) above Identify and agree what additional work can be carried out by front-line staff at home. Consider track and trace
7	Risk to remote working as a result of: -Broadband disruption (e.g. as a consequence of higher broadband usage arising from self-isolation) -Cyber security risk	Haringey workforce, Digital Services and essential services	Operational Services / functions	5	2	10	Immediate	Monitor and agree contingency plans re: broadband IT to review and put in plans Prioritise remote working devices and access to essential roles/services. Consider asking other staff to use home PCs Ensure Contingency planning process is completed and are in place (mobile number / contingency)
10	Risk to staff wellbeing / stress levels as a result of workplace changes. Covid pressures, working patterns and general uncertainty, lack of control.	Haringey workforce and essential services	Human Resources / Communication Group	5	5	25	Immediate	Consider commissioning bereavement counselling (will have cost implication) HR to set up mechanisms to highlight arrangements made to support staff and set up arrangements to identify early signs of stress / wellbeing

11	Risk to the management of the Covid 19 pandemic response resulting from issues in the IT infrastructure. Associated risk to the running of the BECC due to inability to run 'virtually'	Haringey workforce, IT and essential services	Digital Services	5	3	15	Immediate	IT to review and put in plans. Monday.com (being embedded)
15	Risk of insufficient staff to screen and respond to urgent risk within the MASH	Children's services	Director of Adults and Public Health	5	5	25	Immediate	Identify back up MASH managers/SW's from other services or those who have sufficient experience to be able to act into this role.
16	Risk of a lack of placements for looked after children due to foster carers/residential placements reducing and sickness	Children's services	Director of Children's Services	4	3	12	Immediate	Identify foster carers who may be particularly at risk
17	Risk of statutory meetings not taking place (e.g. due to travel restrictions and availability of staff/families), leading to possible delays in critical decision-making.	Governance	Head of Democratic Services	4	2	8	Immediate	No further actions
19	Risk of provider failure - on London wide risk register as high risk	Children's and Adults services	Director of Adults and Health Services Director of Children's Services	5	5	25	Immediate	ADASS guidance aimed at social care commissioners Brokerage Services to consider arrangements to identify risks of provider failure
26	Risk of loss of income to the Council (fails to recover in following year) leading to council not being to balance budget	Finance	Director of Finance	5	5	25	Immediate	Where the Council is unable to collect income due to national Covid restrictions there is a government scheme to reimburse the Council for some lost funds (around 71% is repaid). However the Council must not take action which means it loses action due to actions which were at its discretion. Regular reporting to Corporate Board (and Cabinet) highlights variances from budget, which includes lost income.
27	Financial risks to authority from non delivery of savings proposals, increased costs responding to Corona virus and inability to utilise grants within agreed timescales	Finance	Director of Finance	5	5	25	Immediate	Where the Council is unable to collect income due to national Covid restrictions there is a government scheme to reimburse the Council for some lost funds (around 71% is repaid). However the Council must not take action which means it loses action due to actions which were at its discretion. Regular reporting to Corporate Board (and Cabinet) highlights variances from budget, which includes lost income.

29	Risk of contagion resulting from insufficient supply of personal protective equipment for care workers (PPE) Brexit risk to supply seen as low to none	Vulnerable residents (i) in contact with services (ii) not in contact with services	BECC	4	1	4	short term	local supplies available, and national arrangements
	Community focused risk register							
2	Carers are over-stretched and/or exposed to virus	Adult Social Services	Director of Adults and Health	5	5	25	Immediate	John and Charlotte - mitigation required
3	Delayed/denied treatment for non-Covid-19 conditions	Adult Social Services	Director of Public Health	5	5	25	Immediate	Dissemination of NHS messaging around remote healthcare (e.g. 111/999)
7	Child abuse and/or neglect occur within self-isolated households, in households that are no longer regularly interacting with public services, and/or in households that are no longer in frequent contact with extended family members or social networks	Children's Safeguarding & Social Care	Director of Children's Services	4	2	8	Immediate	Children's Services safeguarding response
21	People are unable to claim benefits/ Universal Credit as demand increased.	Connected Communities/ Corporate and Customer Services	AD for Corporate and Customer Services	4	5	20	Immediate	Connectivity project, aiming to provide second-hand phones and tablets to digitally excluded households
24	Jobs are lost as businesses close, exacerbating pressure on household finances, jeopardising mental health, and increasing risk of debt and/or rent arrears	Economic Development	AD for Regeneration and Economic Development	4	5	20	Immediate	Consistently and proactively promote access to benefits and employment support
34	Domestic abuse occurs in self-isolated households and/or households under lockdown	Public Health	Director of Public Health	5	5	25	Immediate	Services continue to offer support remotely and continue to accept referrals
35	Mental health issues are triggered or exacerbated; referrals to services are no longer possible due to non-interaction with public services	Public Health	Director of Adults and Health	5	5	25	Immediate	Referrals to Mind in Haringey Community services responding to mental health services already - new referrals increasing
51	Risk to economic, physical and mental health for people required to self isolate.	Customer Services, Commissioning	Customer Services, Commissioning	4	4	16	Immediate	Establish and maintain self isolation support service.

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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 C

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

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Report for: Corporate Committee – 3 December 2020

Title: Anti-Fraud and Corruption Strategy

Report authorised by : Assistant Director of Corporate Governance

Lead Officer: Minesh Jani, Head of Audit and Risk Management
Tel: 020 8489 5973
Email: minesh.jani@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Information

1. Describe the issue under consideration

- 1.1 As part of the 2017 UK Public Sector Internal Audit Standards (PSIAS), Haringey Council needs to ensure that there are appropriate processes in place for the reporting and investigation of allegations of fraud and corruption.
- 1.2 The Corporate Committee is responsible for Anti-fraud and Corruption arrangements as part of its Terms of Reference. In order to provide assurance that the corporate policy is consistent with relevant regulations and other best practice requirements, it is reviewed on a regular basis.

2. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

- 3.1 That the Corporate Committee reviews and endorses the Corporate Anti-fraud and Corruption Strategy together with the appended Fraud Response Plan, Whistle-blowing Policy, Sanctions Policy, Anti-money Laundering Policy and the Anti-bribery Policy.

4. Reasons for decision

- 4.1 The Corporate Committee is responsible for approving the Council's Anti Fraud and Corruption Strategy under its Terms of Reference.

5. Alternative options considered

- 5.1 Not applicable.

6. Background information

- 6.1 Haringey Council seeks to maintain high standards of probity and has put in place arrangements for protecting the public purse. Sound systems to demonstrate public accountability are also vital for effective management of services and in maintaining public confidence; the minimisation of losses from fraud and corruption is essential for ensuring resources are used for their intended purpose.
- 6.2 To investigate fraud and corruption the Council has a dedicated Corporate Anti-Fraud Team comprising six investigators and an assistant investigator who undertake pro-active and reactive work across all areas of the Council's activities. The team also has a part time secondee from Homes for Haringey to ensure good partnership working on housing related fraud. Generally, local authorities in London in particular, have invested in anti-fraud work consistently over many years following guidance and advice from regulatory bodies including the former Audit Commission, CIPFA, the Cabinet Office and by the National Fraud Authority in their 'Fighting Fraud Locally' publications.
- 6.3 The Council's Anti-fraud and Corruption Strategy gives guidance to relevant individuals, employees, Councillors, members of the public and organisations working in partnership with the Council, on the Council's stance on Fraud and Corruption and the steps people should take if they suspect fraud and corruption. The strategy also sets out how the Council will deal with any allegations.
- 6.4 Essentially, the strategy states the Council has a zero tolerance to fraud and corruption and the Council will use the full range of sanctions to act against individuals or organisations found to be committing fraud against the Council.
- 6.5 The Council's Anti-fraud and Corruption Strategy and the related appendices are published on the Haringey website and intranet site. In addition, all policies are published separately to enable anyone searching for the individual policy to locate these easily. The website pages also provide details of how to report suspected cases of fraud and corruption.
- 6.6 The Assistant Director of Corporate Governance is the responsible officer for maintaining the Anti-fraud and Corruption Policy, together with all related policies: Whistleblowing, Sanctions, Anti-Money Laundering and Anti-bribery. The Assistant Director of Corporate Governance and Head of Audit and Risk Management review all anti-fraud and corruption policies to ensure they reflect current legislation and recommended best practice.
- 6.7 The review of the Whistleblowing policy is undertaken in consultation with the Head of Human Resources to ensure all relevant employment issues are incorporated into any changes to the policy.
- 6.8 The Council's Anti-fraud and Corruption Strategy follows the Chartered Institute of Public Finance and Accountancy's (CIPFA) guidance and best practice

recommendations. The Council's Whistle-blowing policy conforms to the best practice guidance issued by Public Concern at Work, the independent charitable organisation which advises on whistle-blowing and governance matters.

7. Contribution to strategic outcomes

- 7.1 The Council has an important role to demonstrate stewardship of the public purse. The management of fraud risks is an important part of the Council's work to enable the Council to utilise its resources to achieve its corporate aims.

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

8.1 Finance and Procurement

There are no direct financial implications arising from this report. The strategies will be implemented within existing agreed budgets.

8.2 Legal

The Assistant Director, Corporate Governance has been consulted in the preparation of this report, and in noting that the policies, plan and strategy follow legislative requirements / industry guidance and best practice, has no comments.

8.3 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 anti-fraud and corruption arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

9. Use of Appendices

Appendix 1 – Fraud Response Plan
Appendix 2 – Whistleblow Policy
Appendix 3 – Sanctions Policy
Appendix 4 – Anti Money Laundering Policy
Appendix 5 – Anti Bribery Policy

10. Local Government (Access to Information) Act 1985

Not applicable.

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Fraud Response Plan

1. Why we have a Fraud Response Plan

- 1.1 Reports in the media suggest fraud is on the increase although fraud is not usually an everyday occurrence and most people are surprised to discover a potential fraud issue. Knowing what to do and taking the right steps when the fraud is discovered allows us to make sure the investigation is carried out properly.
- 1.2 Having a structured response plan helps everyone to handle any fraud issues in the same way and avoid potential problems like: inadvertently tipping off the suspect, enabling them to destroy incriminating evidence; failing to keep the matter confidential; and taking inappropriate action caused by having insufficient information.
- 1.3 A Fraud Response Plan ensures that incidents are handled in a systematic and efficient manner, not only to conclude a successful investigation, but also to show that the organisation acted in an effective and lawful manner; and that it does not tolerate fraud.

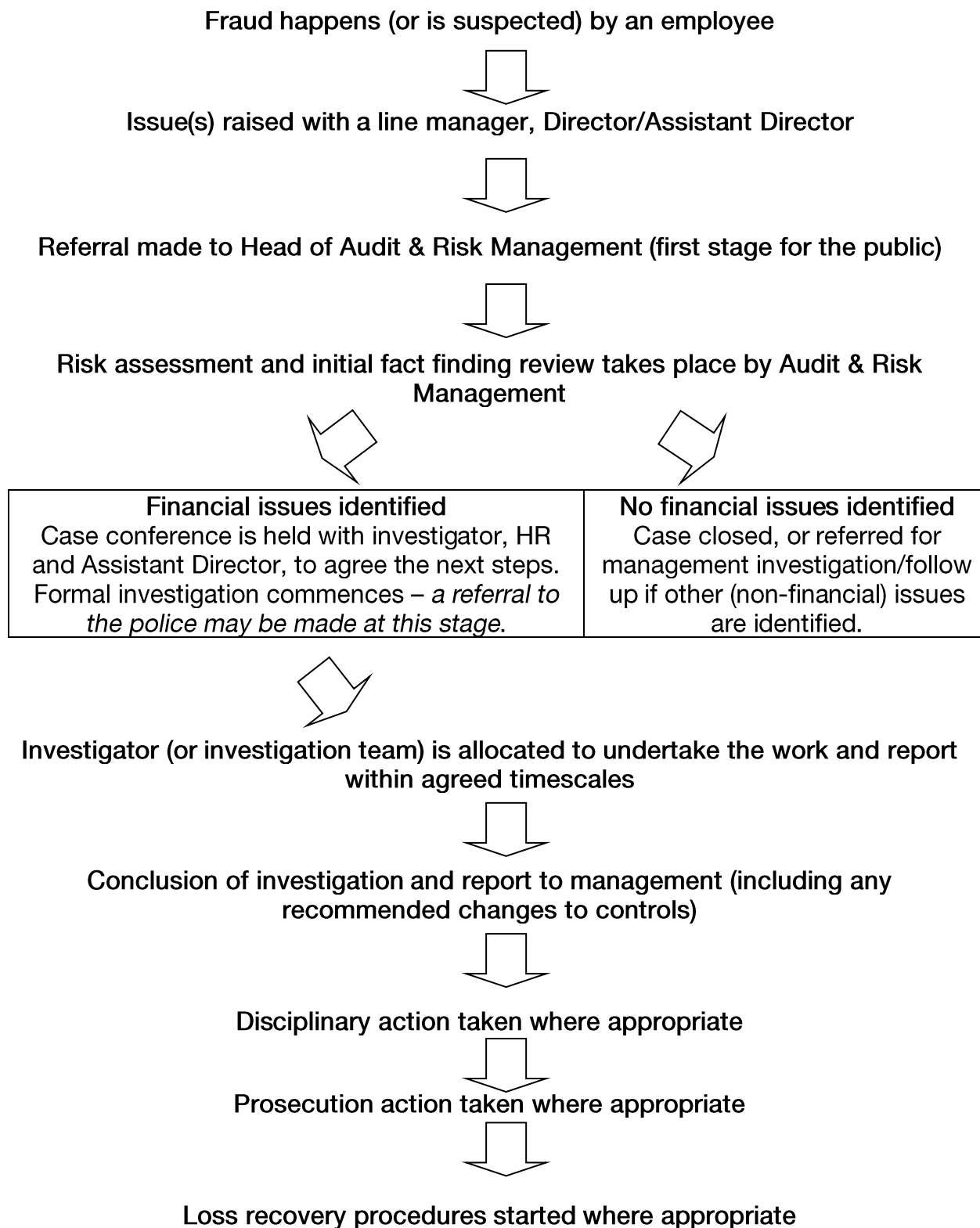
2. What you should do if you suspect fraud or corruption

- 2.1 Our employees and councillors are often the first to realise when things may be going wrong, or fraud and corruption may be taking place. However, they may think that they would not be supported if they raised their concerns, or they may even be afraid of being harassed or bullied. In these circumstances, an individual may feel it would be easier to ignore their concerns, rather than report it. We want to tell you that this is not the case.
- 2.2 Our 'Whistleblowing' Policy is in place to encourage and enable individuals to raise legitimate concerns, rather than overlooking a problem. The policy applies to all Haringey employees, staff of Council contractors, agency staff and trainees.
- 2.3 If you suspect fraud or corruption, you should raise your concern with your line manager. Failing that, you should approach your Head of Service, or Assistant Director. If you cannot raise your concern within your own service area, you should approach the Head of Audit & Risk Management.
- 2.4 We want to encourage any member of the public, or a partner organisation, who suspects fraud and corruption to contact the Council's Head of Audit and Risk Management in the first instance.
- 2.5 **Remember:** tell some-one, don't keep it to yourself; make a note of anything which made you think a fraud was happening; keep things confidential initially; do not confront the suspect(s); only take away any evidence if there is any risk that it will be destroyed or thrown away. **Leave the investigation to Audit & Risk Management.**

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3. Investigations into allegations of fraud or corruption

Although we cannot say how each individual case is dealt with, the following process is outlined as a general guide.





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Whistleblowing Policy

1. What is 'Whistleblowing'?

- 1.1 Whistleblowing encourages and enables employees to raise any serious concerns they may have, rather than overlooking a problem. Serious concerns include: criminal activity; not complying with legal requirements; miscarriages of justice; putting an individual's health or safety at risk including residents, clients and members of the public; and damage to the environment.
- 1.2 Employees are often the first to realise that there is something wrong within the Council. However, they may be reluctant to say anything or raise their concerns as they feel that speaking up would be disloyal to their colleagues or to the Council; or they may feel that they would be victimised for doing so.
- 1.3 The Public Interest Disclosure Act 1998 (PIDA) offers all employees legal protection against any detriment, or unfair dismissal, as the result of speaking out about crime, fraud, miscarriages of justice, dangers to health and safety, breaches of civil service code or risks to the environment.

2. Our Commitment

- 2.1 We are committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of our work to come forward and tell us about those concerns.
- 2.2 If any employee raises their concerns in the public interest (not for personal gain) and they reasonably believe that the information they are giving is true and in good faith, our Whistleblowing policy aims to ensure that they receive support; and their concerns are properly investigated and addressed.
- 2.3 We will publicise this policy across the Council on a regular basis, so all our staff are aware of the support available and what is required of them.

3. Who does the Policy apply to?

- 3.1 The policy applies to all our employees. This includes temporary and agency staff, 'as and when' employees, authorised volunteers or work experience staff. It also applies to contractors working for us on our premises e.g. agency staff, builders, and drivers. It also covers suppliers and those providing services under a contract with us in their own premises, for example, care homes and children's centres. The policy also covers our Members.
- 3.2 This policy has been shared with the relevant trade unions and professional organisations and has their support.



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4. Our aims

- To encourage everyone to feel confident in raising concerns; and to act upon their concerns about potential wrongdoing;
- To provide ways for all staff to raise concerns in confidence and receive appropriate feedback on any action taken;
- To ensure that staff receive a response to their concerns; and that staff are aware of how to pursue them if they are not satisfied; and
- To reassure everyone they will be protected from possible reprisals, or victimisation, if they have a reasonable belief that they have made a disclosure, which is in the public interest.

5. How to raise a concern

- 5.1 As a first step, any concerns should normally be raised with your immediate supervisor/manager. However, if the concern is serious, relates to a sensitive matter, or your line manager may be involved, you should approach a senior manager, or Assistant Director/Director within your service area.
- 5.2 Our Financial Regulations state that the Head of Audit and Risk Management should be told of any concerns that relate to financial or accounting irregularities or suspected irregularities. This policy allows the opportunity to raise your concerns about any financial matters directly to the Head of Audit and Risk Management.
- 5.3 If your concern is not about financial issues, you may also raise it with the Assistant Director for Human Resources; or the Assistant Director of Corporate Governance (the Council's Monitoring Officer).
- 5.4 PIDA encourages staff to approach their employer in the first instance: this way you are legally protected; and any subsequent disclosure of the same information you make externally will be protected. However, the government advises that if you felt that your employer would cover your concerns up, or would treat you unfairly, or they have not resolved the issue when they have been told about it previously; you can make a referral to a 'prescribed person' and some examples of these are listed at the end of this policy.
- 5.5 Alternatively, you could ask your Trade Union to raise the matter on your behalf; or seek advice from your professional organisation, if you are a member of one.
- 5.6 Other procedures are available, for example the Grievance procedure which relates to complaints about your own employment. This policy also does not replace other corporate complaints procedures, which are for public use.

6. How we will respond to concerns raised under this policy

- 6.1 We will aim to review your concerns and complete any investigations required as quickly as possible. It is not possible to say how every concern will be treated but as a general guide, within ten working days of the concern being raised, we will:
- Assess the complaint and identify the most effective process to use to investigate the allegations raised;



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- Notify the Head of Audit and Risk Management that a concern has been raised to ensure it is recorded properly in accordance with this policy;
- Write to the person raising the concern (as long as the concern has not been raised anonymously) to acknowledge their complaint and indicate how the matter raised will be dealt with;
- Indicate a likely timescale to complete the investigation; and
- Provide individuals with information on staff support mechanisms that are available.

7. Confidentiality – Protection for Whistleblowers

7.1 We want to protect anyone who raises a concern; including keeping their identity confidential if this is what the employee wants. All concerns will be treated in confidence and we will make every effort not to reveal people's identity, but please consider that we may need to provide a witness statement if the matter is subject to a disciplinary process, or referred to the police.

7.2 This policy encourages you to put your name to your concern whenever possible. Please note that:

- Staff must believe the disclosure of information is in the public interest;
- Staff must believe it to be true;
- Staff must **not** act maliciously; or knowingly make false allegations; and
- Staff must **not** seek any personal gain.

8. Safeguards and Victimisation

8.1 We recognise that the decision to report a concern can be a difficult one to make. If what you are saying is true, or you believe it to be true, you should have nothing to fear as you will be acting in the best interests of the Council and everyone we provide a service to.

8.2 We will not tolerate any harassment or victimisation (including informal pressures); and we will take appropriate action, including disciplinary procedures, to protect you when you raise a concern which is in the public interest.

8.3 If you make an allegation, which you think is genuine but is not proven, no action will be taken against you. However, where there is clear evidence that you have made a malicious allegation then action may be taken against you under the Disciplinary procedure.

8.4 We want to encourage our staff to put their name to their concerns so we can investigate them properly. However, some people may wish to remain anonymous. In these circumstances, we will still consider concerns raised, taking into account the seriousness of the issues raised and the credibility of the concern, but our ability to take the matter further may be restricted if anonymity needs to be maintained.

9. Monitoring

9.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Head of Audit and



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Risk Management will maintain a record of concerns raised and the outcomes (but in a form which does not breach your confidentiality) and will report as necessary to the Council.

- 9.2 The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Assistant Director of Human Resources when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

WHISTLEBLOWING - GUIDANCE NOTES FOR MANAGERS

When staff suspect or discover something is wrong, they are encouraged to report this to their manager. This gives managers the chance to correct any potential or actual malpractice before the issue escalates. Please note that if there are allegations of potential fraud, or financial irregularity, then these must be reported to the Head of Audit and Risk Management in line with the Council's Financial Regulations.

Victimising or deterring staff from raising legitimate concerns is a serious disciplinary offence. Whistleblowers are also afforded protection under the Public Interest Disclosure Act. Therefore, managers must ensure that anyone who makes a complaint have confidence that it is going to be properly investigated and addressed; and they will suffer no detriment as a result of speaking out.

Managers must respect the confidentiality of any staff raising concerns if they (the staff) want this. However, managers should advise staff that during the investigation the source of the information may need to be revealed and the individual may be required to provide a statement, or appear as a witness in any disciplinary or police investigation. You should advise the employee that they will be supported in these processes, if required. You should also advise the employee of any other support processes that are available to them.

In all cases where an employee uses the Council's Whistleblowing policy to raise their concerns, the person receiving the concern must notify the Head of Audit and Risk Management. They are the Council's nominated officer for recording any Whistleblowing referrals and are required to maintain a log, which ensures confidentiality, and provide periodic information on the use of the Whistleblowing policy.



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Investigating Referrals

Managers need to review an employee's concerns raised under the Whistleblowing Policy and complete any investigations required as quickly as possible. As a general guide, within ten working days of the concern being raised, the manager should:

- Formally acknowledge the concern to the employee, or their Trade Union/ professional organisation;
- Undertake an initial review of the concerns (or refer the matter to the Head of Audit and Risk Management where fraud is alleged);
- Appoint an independent and impartial manager to undertake an investigation;
- Agree a timescale to complete the investigation with the investigating manager and advise the employee, or their representative, of the likely timescale;
- Conduct an investigation under the Whistleblowing Policy, following the same process as the Disciplinary Procedures for investigating cases of misconduct/ gross misconduct;
- An investigation may conclude that, potentially, there has been a breach of the Council's Code of Conduct and Disciplinary Rules. In these circumstances, you should invoke the disciplinary process; and
- Subject to any legal constraints, inform the employee, or Trade Union/ professional organisation, of the progress and outcome of any investigation.

Examples of Relevant Prescribed Persons

If you decide to blow the whistle to a 'prescribed person' rather than your employer, the government has produced a [Prescribed Persons List](#).

More information on Whistleblowing can be found on the GOV.UK website: www.gov.uk/whistleblowing

Examples of prescribed persons include:

Her Majesty's Chief Inspector of Education, Children's Services and Skills ("the Chief Inspector") about matters relating to the regulation and inspection of establishment and agencies for children's social care services.

Ofsted

Piccadilly Gate

Store Street

Manchester M1 2WD

Tel: 0300 123 3155

Email: whistleblowing@ofsted.gov.uk



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Care Quality Commission about the provision of health care on the NHS or independent health care services.

CQC National Customer Service Centre

Citygate

Gallowgate

Newcastle upon Tyne

NE1 4PA

Tel: 03000 616161

www.cqc.org.uk

The Health and Safety Executive about health or safety at work or the health and safety of the public.

Health and Safety Executive

Rose Court

2 Southwark Bridge

London

SE1 9HS

Online form: www.hse.gov.uk/contact/workplace-complaint.htm

Tel: 0300 0031647

www.hse.gov.uk

The Comptroller and Auditor General about the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services.

The Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

London SW1W 9SP

Tel: 020 7798 7999

www.nao.org.uk/contact-us



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Sanctions Policy

1. Policy Statement

- 1.1 We will use the full range of sanctions available to us, including criminal prosecution, civil recovery, internal disciplinary procedures and referral to regulatory bodies in order to deter fraud, bribery and corruption.
- 1.2 Our Legal Services and the Crown Prosecution Service will be used to undertake prosecutions; and we will refer all relevant cases to the appropriate professional bodies and other law enforcement agencies. We will assist external organisations if they decide to bring their own prosecution cases.
- 1.3 Our fraud and corruption strategy states that we will seek the full range of sanctions against anyone found to have committed fraud against the Council: and they will apply to any fraud either against the Council or against money that the Council has responsibility for.

2. Deciding what sanction to apply

- 2.1 We have a range of sanctions that we can use, including internal disciplinary procedures and criminal and civil prosecutions; and we have this policy to make sure that we:
- Apply all available sanctions consistently;
 - Apply sanctions efficiently and cost effectively; and
 - Have a transparent and robust decision making process.
- 2.2 In some cases, we may apply more than one sanction e.g. if a member of staff has stolen money from us, we may take internal disciplinary proceedings, refer the matter to the police, and undertake civil recovery procedures.
- 2.3 We may decide to pursue a criminal prosecution in some cases; these will usually be reserved for those cases, which we think, are the most serious. The Council has the power to undertake some prosecutions itself using our Legal Services, but some cases can only be decided on by the Crown Prosecution Service.
- 2.4 All cases which are considered for prosecution will apply firstly the 'Evidential Test'; and secondly the 'Public Interest Test', as set out in the Code for Crown Prosecutors 2020 as follows:
- Evidential Test** - The investigator will consider the following questions in assessing whether there is sufficient evidence to prosecute the case: Can the evidence be used in court? Is the evidence reliable? Is the evidence credible?



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Public Interest Test - If the Evidential Test has been met, the investigator will then consider whether or not a prosecution would be in the public interest. Each case will be assessed on its own merits and a review will include: How serious the offence is; the level of culpability of the suspect; the circumstances of and the harm caused to the victim; if the suspect was under the age of 18 at the time of the offence; the impact on the community; whether prosecution is a proportionate response; and whether sources of information require protecting.

3. Types of fraud and the possible sanctions

3.1 Employees, Councillors, Teachers, School Staff

If we find that any of our staff or councillors have committed fraud, or been involved in corruption, we will undertake disciplinary action in the first instance. If we identify that the Council has suffered any financial loss, we will always seek to recover this, including through civil and criminal prosecutions. Where staff are members of professional bodies, or have to comply with national codes of conduct (teachers, social care staff etc), we will refer any cases of fraud and corruption to these bodies.

3.2 Benefit Fraud

The Department for Work and Pensions is responsible for investigating housing benefits fraud, but the Council is still responsible for assessing and paying for some benefits including council tax support, and social fund.

3.3 Housing and Right to Buy Fraud

In all cases where anyone has fraudulently applied for Right to Buy, housing support, or a tenancy from the Council, we will always seek repossession of the property and recovery of any financial losses. Where we identify that a tenant is sub-letting their property illegally, we will use the Prevention of Social Housing Fraud Act 2013 to prosecute them and recover any money they gained by sub-letting their property. We will also consider using the Fraud Act 2006.

3.4 Other fraud

There are a number of other areas such as: insurance claims, direct care payments, grants to organisations, exemptions and reliefs from Council Tax or Non-domestic rate payments, and applications for financial and other assistance where theft and fraud may occur. We will always seek to recover any money lost and consider a criminal or civil prosecution. Where an external organisation is involved, we will make a referral to any relevant governing body such as the Law Society, Charities Commission, or the Registrar of Companies.

4. Proceeds of Crime Act 2002

4.1 The Proceeds of Crime Act 2002 (POCA) was put in place to demonstrate that crime does not pay. We will use POCA wherever we can to obtain confiscation



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orders, including compensation orders, as well as recovery of the full overpayment of benefits. We may use accredited Financial Investigators attached to other enforcement agencies, or the police, to assist us.

5. Monitoring

5.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

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ANTI-MONEY LAUNDERING POLICY

1. What is money laundering?

- 1.1 Money laundering is the term used for several offences involving the proceeds of crime, or terrorism. This includes possessing, or in any way dealing with, or concealing, or converting the proceeds of any crime, as well as funds likely to be used for terrorism and the proceeds of terrorism. Money laundering is used to describe the activities of criminals who convert the proceeds of crime into legitimate activities, with the intention of hiding the true sources of their income.
- 1.2 In relation to the Council, money laundering would be the attempt to do legitimate business with the Council e.g. buying/leasing property, or paying for goods and services using assets or money derived from the proceeds of crime or terrorism.
- 1.3 This policy applies to all employees and councillors and sets out the legal requirements relating to money laundering, including how to respond if anyone suspects that money to pay for property, goods, or services comes from criminal, or terrorist activities.
- 1.4 As money laundering seeks to legitimise cash or property from criminal or terrorist activities, it often involves the following three steps: -
 - **Placement** – cash is introduced into the financial system by some means. For example, depositing the cash into bank accounts, exchanging currency or simply changing small notes for larger notes (or vice versa).
 - **Layering** – a financial transaction to camouflage the illegal source; transfer between accounts including offshore, offering loans, investments and complex financial transactions.
 - **Integration** – acquisition of financial wealth from the transaction of the illicit funds. For example, buying residential or commercial property, businesses and luxury goods.

2. Laws covering money laundering

- 2.1 Legislation has shifted the burden for identifying acts of money laundering from police and government agencies to organisations and their employees. The principal legislation and regulation relating to money laundering are: the Proceeds of Crime Act 2002 (POCA), the Terrorism Act 2000 (TA), and the Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017.
- 2.2 There are two main types of offences, which may be committed:
 - Money laundering offences; and
 - Failure to report money-laundering offences.

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2.3 The main types of money laundering offences are:

- **Concealing** – knowing or suspecting a case of money laundering, but concealing or disguising its existence
- **Arranging** – becoming involved in an arrangement to launder money, or assisting in money laundering
- **Acquisition**, use or possession – benefiting from money laundering by acquiring, using or possessing the property concerned.

2.4 Examples include :-

- acquiring, using, or possessing criminal property;
- handling the proceeds of crimes, such as theft, fraud and tax evasion;
- investing the proceeds of crime in other financial products;
- being knowingly involved, in any way, with criminal or terrorist property;
- entering into arrangements to facilitate laundering criminal or terrorist property;
- transferring criminal property;
- failing to report a suspicion that money laundering offences are taking place; and
- 'tipping off' someone who is, or is suspected of being involved in money laundering, in such a way as to reduce the likelihood of being investigated, or prejudicing an investigation.

2.5 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

2.6 Depending on the severity of the suspected offence, the Magistrates' Court can issue fines of up to £5,000, or sentences of up to 6 months in prison (or both), and, in the Crown Court, fines are unlimited, and sentences of up to 14 years may be handed down.

3. The obligations of the Council

3.1 The main requirements of the legislation are:

- To appoint a Money Laundering Reporting Officer (MLRO);
- Maintain client identification procedures in certain circumstances;
- Implement a procedure to enable suspicions to be reported; and
- Maintain record keeping procedures.

3.2 The Council's MLRO is the Assistant Director of Corporate Governance. In the absence of the designated MLRO, the Head of Audit and Risk Management should be contacted.



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3.3 The Council has developed formal client identification procedures, which must be followed when Council land or property is being sold. These require individuals (and companies) to provide proof of identity and current address. If satisfactory evidence is not obtained, the transaction must not be progressed and guidance should be sought from the MLRO. All records maintained in respect of suspected money laundering activity must comply with the Data Protection Act.

4. Examples of potential money laundering situations

4.1 It is not possible to provide a definitive list of possible situations involving money laundering; or how to decide whether to report suspicions to the MLRO. However, the following are risk factors, which either may, individually or cumulatively, suggest possible money laundering activity:

- Payment of a substantial sum of money in cash (over £10,000), either in a single transaction, or a number of smaller transactions which total more than £10,000;
- Payment of cash sums where cash is not the usual means of payment;
- A new customer, or use of a new/shell company, with no financial history;
- A customer who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, location, or identity of a customer;
- Unnecessarily complex transactions e.g. routing or receipt of funds from third parties, or through third party accounts;
- Involvement of an unconnected third party without any reasonable explanation;
- Overpayments by a customer, or payments of deposits subsequently requested back;
- Absence of an obvious legitimate source of funds;
- Movement of funds overseas, particularly involving a higher risk country, or tax haven;
- The cancellation, or reversal, of a previous transaction;
- Requests for the release of customer account details, other than in the normal course of business;
- Transactions at substantially above or below current market values;
- Poor business or financial records;
- A similar previous transaction (completed or requested) from the same customer;
- An inability to trace the customer, or organisation;
- Individuals or companies that are insolvent but have funds.

5. Reporting procedure

5.1 If you have any questions or doubts about an individual, company, or transaction that you have been dealing with, then it is important to get advice from the MLRO, or Head of Audit and Risk Management as soon as possible – **do not delay reporting your concerns, as this may make you subject to criminal prosecution.**



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5.2 Your report to the MLRO should include as much details as possible, including:

- Full details of the people involved e.g. name, address, company name, directorships, contact details etc;
- Full details of their (and your) involvement;
- The type(s) of money laundering activity suspected;
- The date(s) of the suspected money laundering activity, including whether the transactions have happened, are ongoing, or are imminent;
- Where they took place;
- How they were undertaken (cash payment, bank transfer etc);
- The (likely) amount of money or assets involved;
- Why, exactly, you are suspicious.

5.3 Your report should also provide the MLRO with copies of any related supporting documentation. If you are acting in a legal capacity and consider that legal professional privilege may apply to the information, you should set this out in the report to the MLRO and why the information is legally privileged. The MLRO will determine whether the information should be exempt from any reports to the National Crime Agency (NCA).

5.4 Once you have reported your concerns to the MLRO, you must not undertake any further enquiries into the matter. The MLRO will refer the matter on to the NCA, if required, in order for them to undertake further investigation. No further action must be taken in relation to the transaction(s) until either the MLRO, or NCA, has given their consent in writing.

5.5 You should not voice any suspicions to the person(s) who you suspect of money laundering; or make any reference on IT systems, or client/hard copy files that you have reported your concerns to the MLRO. If an individual requests access to information, any notes will need to be disclosed, which may tip them off and may make you liable for prosecution.

5.6 A record will be maintained, including details of the customer due diligence, which will be kept for five years after the end of the business relationship; together with a record of the transactions also kept for five years. Guidance on performing the required due diligence checks can be obtained from the Head of Audit and Risk Management.

6. Review of disclosures by the MLRO

6.1 When the MLRO receives a report of suspected money laundering, they will review the information and any other relevant information, including:

- Reviewing any other transactions patterns and volumes;
- The length of any business relationship involved;
- The number of any one-off transactions and any linked one-off transactions;
- Any identification evidence held.



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- 6.2 The MLRO will complete their review, which may include speaking to the person who made the referral, in order to determine whether there is sufficient evidence of actual/suspected money laundering and whether there are reasonable grounds to know (or suspect) that this is the case. The MLRO will then determine whether the NCA needs to be involved and their consent obtained for a transaction to proceed. In these circumstances, the transaction must not proceed until the NCA consent has been formally received (or if no consent has been received from the NCA after 7 working days).
- 6.3 If the MLRO concludes that there are no reasonable grounds to suspect money laundering, they will record their decision on the report and give their consent to proceed with the transaction.
- 6.4 In cases where legal professional privilege may apply, the MLRO will liaise with the Council's s151 Officer to decide whether there is a reasonable reason for not reporting the matter to the NCA.

7. Additional requirements for Finance and Legal employees

- 7.1 In addition to the reporting procedure in Section 5 above, employees providing certain finance and legal services must also comply with 'due diligence' requirements:

Simplified due diligence. Required when there is low risk of money laundering e.g. new business with a company; when checks on company and director registration details would represent sufficient due diligence.

Enhanced due diligence. Required when there is a higher risk of money laundering e.g. remote transactions where the customer is not present to be identified would require additional information and documents to be provided.

If satisfactory evidence cannot be provided, then the transaction cannot proceed.

- 7.2 Customer identification processes must be undertaken when the Council:
- Forms a business partnership with a customer;
 - Undertakes a one-off transaction relating to property or debt of more than £10,000;
 - Undertakes a series of linked transactions involving total payment of more than £10,000;
 - Knows, or suspects, that a transaction or a linked series of transactions involves money laundering.
- 7.3 Customer identification must be completed before any business is undertaken with the individual in relation to accountancy, procurement, audit and legal services with a financial or real estate transaction. In order to complete customer identification the following processes should be undertaken:
- Identify the person who wants to form the business relationship or complete the transaction;
 - Verify their identity using independent sources of information;



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- Identify who benefits from the transaction;
- Monitor transactions to make sure that they are consistent with what is understood about the individual or country;
- Understand the source of their funds;
- Ensure there is a logical reason why they would want to do business with the Council.

8. Training

- 8.1 The MLRO and Head of Audit and Risk Management will ensure that training on the law relating to money laundering and the Council's procedures is provided to all relevant employees on a regular and ongoing basis.

9. Monitoring

- 9.1 The Assistant Director of Corporate Governance (the Council's Monitoring Officer), is responsible for the maintenance and operation of this policy. The Assistant Director of Corporate Governance and Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

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HARINGEY COUNCIL

ANTI-FRAUD AND CORRUPTION POLICY AND STRATEGY

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Policy History					
Version	Summary of Change	Contact	Implementation Date	Review Date	EqIA Date
8.1	Added Standards in Public Life (Nolan Principles) at para 3.1	Head of Audit & Risk Management	July 2018	June 2018	June 2014
8.2	Updated Money Laundering Regulations	Head of Audit & Risk Management	Sept 2020	July 2020	July 2020

Links and Dependencies
Employee Code of Conduct Disciplinary Procedures Council Constitution Whistleblowing Policy Sanctions Policy Anti-money Laundering Policy Anti-bribery Policy

Related Forms
Declaration of Interests Form Declaration of Receipt of Gift or Hospitality

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Anti-fraud Policy Statement

- 1.1 We (Haringey Council) operate a 'zero tolerance' approach towards fraud and corruption and we will use the full range of sanctions available against any individual or organisation found to be committing fraud. Every pound taken by theft or fraud reduces our ability to provide services to the people who need them the most.
- 1.2 We want to protect against, detect and respond to fraud and corruption in order to protect the interests of our clients, partners, employees and other stakeholders while retaining a high ethical standing within the community.
- 1.3 This policy applies to all parts of the Council and to all our employees, temporary and agency staff, volunteers, contractors and consultants in relation to their work with/for us. We rely on the support of staff, businesses and the community to deliver the services we provide to people in need. Loss of confidence in the Council as a result of fraud or corruption could have an adverse impact on our funding and investment in the area, leading to a more severe impact on the services we deliver than the initial theft.
- 1.4 We expect all our Councillors, employees, agency and temporary staff, consultants, contractors, partner organisations and service users, to be honest, and to give us any help, information and support we need to deal with fraud and corruption. In return, we will:
 - Take appropriate measures to prevent and deter fraud;
 - Introduce and maintain procedures to detect fraud;
 - Encourage employees to report any suspicions of fraud;
 - Provide resources to train our staff about fraud risk and investigate fraud;
 - Take appropriate disciplinary, civil or criminal proceedings; and
 - Report suspected fraud to the police and all relevant organisations.
- 1.5 It is in everyone's interests to prevent fraud and corruption from happening. Report any suspected incident immediately to your manager and to the Head of Audit & Risk Management (unless you suspect your manager may be involved). This strategy and response plan sets out what we mean by fraud; how we tackle fraud; what you should do if you suspect fraud; and how we will respond.

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 <p>SPEAK OUT ABOUT FRAUD</p>	<p>If you have any concerns about fraud, we want to know:</p> <p> Call in confidence: 0330 808 4269</p> <p> Email: fraudcall@Haringey.gov.uk</p> <p> Write to: Fraud Team, PO Box 22727, London, N22 7WS</p>
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Anti-fraud and Corruption Strategy

2. Definition of Fraud and Corruption

2.1 The **Fraud Act 2006** introduced the first legal definitions of fraud, which is used for the criminal prosecution of fraud offences. **Fraud** is defined a wrongful act or criminal deception intended to result in financial or personal gain. **Corruption** is defined as the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.

2.2 The following are some examples of fraud or corruption, which you may come across:

- Providing false identity or right to remain/work documents, references, or any other information when applying for a job;
- Making false claims for expenses, overtime, flexitime, or any other allowance;
- Not declaring a conflict of interest e.g. owning properties which are leased to the Council, or receiving benefits from the Council; you or your family owning companies which we do business with; or working for organisations which receive grant funding from the Council;
- Allocating housing, or any other benefits, to people who are not entitled to them;
- Misusing Blue Badges, residential, business or any other parking permits;
- Fraudulently claiming any benefits we the DWP or HMRC provide, including housing benefits, working/child tax credits, disability benefits, and council tax benefits;
- Fraudulently making, or exaggerating, an insurance claim against the Council;
- Using our vehicles, IT equipment, offices/buildings, stocks, materials, or any other resources for personal use, or to run a private business;
- Stealing money, materials or other resources from the us, our partners, or our clients;
- Raising orders, or submitting invoices for payment when the work hasn't been done;
- Working for another organisation, running a business, or being self-employed during contracted hours, including working whilst off sick;
- Accepting gifts or hospitality from contractors, or organisations who are bidding for work, or who we have contracts with, or who receive grants from us.

2.3 The above list can't cover every example of fraud or corruption. If you have any questions, please contact the Head of Audit & Risk Management for further advice.

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3. Responsibilities

- 3.1 We expect all individuals, groups and organisations that receive services from, or provide services on behalf of the Council to be honest in their dealings with us and our clients and customers. Councillors and managers are expected to lead by example in regard to observing the Principles of Standards in Public Life, as set out by the Nolan Committee. These are shown below:

Selflessness- Holders of public office take decisions in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity- Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of their official duties.

Objectivity- In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness- Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty- Holders of public office have a duty to declare any private interests relating to their public duties to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership- Holders of public office should promote and support these principles by leadership and example

- 3.2 We expect our Councillors and employees, including any temporary, agency and consultancy resources, to lead by example in preventing, deterring and advising of suspected fraud and corruption and these responsibilities are summarised below:

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Individual/Group	Role/Responsibility
Corporate Committee	<ul style="list-style-type: none"> • Approving and monitoring corporate counter-fraud policies. • Reviewing reports relating to fraud risks and investigations from internal and external auditors.
Strategic Leadership Team (SLT)/ Statutory Officers Group (SOG)	<ul style="list-style-type: none"> • Overseeing the council's approach to counter-fraud activity, setting the tone to embed a culture of high standards. • Ensuring a consistent approach to identifying and managing fraud risk is adopted by all service areas. • Reviewing reports to ensure that risks relating to fraud are being managed appropriately.
Directors/ Assistant Directors/ Programme Managers/ Heads of Service	<ul style="list-style-type: none"> • Introducing and maintaining effective controls to prevent fraud or corruption from happening in their service area, or corporate programme. • Ensuring that a fraud or corruption risk assessment has been conducted for their service area/ corporate programme. • Notifying all suspected fraud or corruption incidents within their service area/ programme to the Head of Audit & Risk Management. • Approving follow up action to be taken in response to actual incidents of fraud or corruption.
Audit & Risk Management	<ul style="list-style-type: none"> • Undertaking regular assessments of fraud risks and the resources and skills available to tackle fraud. • Consulting with Directors/Assistant Directors about the best course of action when suspected fraud or corruption incidents are raised. • Allocating an investigator, consulting with appropriate senior managers and HR personnel at agreed stages during any investigation into fraud or corruption, and completing the investigation within agreed timescales. • Notifying the police, and other organisations, when a criminal prosecution is required. • Facilitating fraud and corruption awareness training. • Providing regular reports to SLT/SOG and Corporate Committee on fraud risks and pro-active and responsive investigations. • Providing advice and guidance on internal controls to prevent fraud or corruption. • Undertaking pro-active projects to identify possible fraud or corruption.
Employees and Members	<ul style="list-style-type: none"> • Complying with the Council's Codes of Conduct and Constitution. • Informing their manager, or Assistant Director and Head of Audit & Risk Management of any suspected fraud or corruption incidents.

4. Our approach to preventing, detecting and investigating fraud and corruption

We have aligned our fraud prevention and detection approach to the government's recommended 'acknowledge, prevent, pursue' strategy in their [Fighting Fraud Locally](#) publications and the Chartered Institute of Public Finance and Accountancy's 2014 'Managing the Risk of Fraud and Corruption' Code of Practice.

4.1 Preventing fraud and corruption

We want to try and prevent fraud and corruption from happening in the first place. In order to do this our strategy includes:

- Undertaking a regular assessment of the fraud risks faced by the Council and ensuring our managers and counter-fraud teams carry out checks on high risk areas;
- Completing pre-employment screening of our staff (including volunteers, contractors and consultants) and confirming their right to remain and work in the UK, where appropriate;
- Requiring staff to declare potential conflicts of interest; and any gifts offered and accepted;
- Scanning and verifying identity documents of all applicants for housing and other benefits;
- Making sure quotes and tenders from contractors are opened by different employees to those who asked for the quotes; and
- Controlling our IT systems e.g. to ensure that individual employees are not responsible for setting up and authorising payments.

4.2 Detecting and investigating fraud and corruption

As well as having systems in place to prevent fraud, we have procedures that detect and investigate fraud effectively which include:

- Fraud reporting mechanisms such as the confidential Freephone telephone number, PO Box address and email facility;
- Whistleblowing, Anti-Money Laundering and Anti-bribery policies, together with our complaints process, and regular reviews of personnel and financial information e.g. on Right to Buy applications;
- An annual counter-fraud plan which includes projects to look at high risk and high spend areas based on the overall risk assessment;
- Undertaking regular data matching and analysis of information held on our systems to identify e.g. fraud in housing tenancies, payroll and pensions, Blue Badges, planning applications and payments to suppliers;
- Sharing information on identified frauds and risks with other local authorities and agencies, including the police, Department for Work and Pensions (DWP), and the Home Office visa and immigration services;
- Receiving regular data analysis and fraud information alerts from the National Anti-Fraud Network;

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- Having a dedicated and suitably trained counter-fraud team in place, with links to the police and other enforcement agencies, to investigate allegations of fraud and undertake prosecutions.

4.3 The anti-fraud and corruption strategy should be read in conjunction with our **Fraud Response Plan** (Appendix 1) which sets out how we tackle the risk of fraud and investigate allegations of fraud; and the Council's **Whistleblowing Policy** (Appendix 2), which is intended to encourage and enable employees to raise serious concerns.

4.4 We will use all sanctions available to us to deal with anyone committing fraud or corruption, including referring cases to the police, prosecuting offenders and seeking recovery of monies and/or other assets obtained by fraud or corruption. Our **Sanctions Policy** is attached (Appendix 3), which describes the process in more detail.

4.5 We also have arrangements in place where any instances of suspected money laundering or bribery are reported. Our **Anti-money Laundering Policy** (Appendix 4) explains what money laundering is, and what we do to manage the risks associated with crime and money laundering. Our **Anti-bribery Policy** (Appendix 5) explains the legal position for the Council and employees; and how to report any concerns.

4.6 This strategy is aligned with the Council's Code of conduct and HR policies which require employees to declare any potential conflicts and any gifts or hospitality offered. The strategy is also consistent with the Council's IT Security Policies.

5. Monitoring

5.1 This policy and the appendices are monitored and reviewed on an annual basis. We will consult with all the relevant services areas to ensure that all relevant legal, financial and personnel issues are included in the review processes.

5.2 The Council's Corporate Committee has overall responsibility for this policy and it is presented to the Committee for its approval when any review takes place.