Annual Governance Statement

Waltham Forest Council
2023/24

Executive Summary

Good governance lies at the heart of London Borough of Waltham Forest Council's ability to achieve the ambitions it sets out in its corporate strategy, Mission Waltham Forest, which sets out its approach to shaping a more equal borough and tackling inequality whilst driving the transformation the Council needs to deliver this. It sets the Council's strategic direction and its ambition for the future of Waltham Forest.

In a time of increasing financial pressures and with recent examples of governance failures in the local government sector, it has never been more important to have strong governance arrangements in place. The council is committed to acting in the public interest, in managing its finances, and making inclusive, robust decisions and plans that ultimately deliver improved outcomes for those it serves.

The Annual Governance Statement (AGS) is a valuable means of explaining to the community, service users, taxpayers and other stakeholders the council's governance arrangements and how the controls it has in place manage risk and deliver its strategic outcomes. A description of the council's main governance arrangements is provided in section 2 of the AGS.

The council is required by law to conduct a review, at least once a year, of the effectiveness of its governance arrangements and communicate this publicly in an annual governance statement. Details of the council's 2023/24 review are provided in sections 3 and 4 of the AGS.The review process has been undertaken in an open and honest manner and has considered the council's performance across all its activities.

The review has identified a number of areas where arrangements can be strengthened. These are summarised below:

- The council has identified where its Constitution needs to be updated to make it accessible, internally consistent, legally compliant and fit for purpose. A programme of review has been established for the next two years to be led by the Constitution Working Group.

- The Budget and Council Tax Setting Report agreed at full Council in February included a balance position for 2024/25 and an assumption that all services would be delivered within budget. For the remaining years of the Medium-Term Financial Strategy, it included a funding gap of £13.4m for 2025/26 and £6.8m for 2026/27. To manage the immediate pressures, budget savings of £6.7m and management actions of £11.8m were designed during the latter half of 2023 and are predominantly for delivery in 2024/25. To address future funding pressures and to achieve financial sustainability, a transformation programme is being mobilised. This programme, under Mission Waltham Forest, will also transform the organisation so that it is more resilient, dynamic and capable of adapting to the ever-evolving needs of the communities.

- The council has a significant backlog of both Subject Access Requests (SARs) and complaints with the response times increasing significantly. This is coming under greater scrutiny from the Housing Ombudsman, the Local Government and Social Care Ombudsman, and the Information Commissioners Office

- Internal Audit have also raised three high priority recommendations in relation to schools in their annual audit plan.

- Continue to improve internal governance around decision making and high priority projects.

- Adult Social Care is progressing with the design and implementation of its savings plans. One of the main areas is to ensure residents in receipt of social care post hospital discharge have an early review of their care needs. Whilst a person may need a lot of initial support to help them get back on their feet and maximise their quality of life and independence, following a thorough review of their care needs their support can be reduced.

- Recent severe maladministration determinations by the Housing Ombudsman have highlighted the need for ongoing improvements in Housing, especially to the Repairs & Maintenance service. Ensuring that our tenants are safe, comfortable, and secure in their homes is a top priority and we acknowledge that we did not meet our own high standards in these cases. We have accepted the Ombudsman's findings in full and robust plans to address them have been taken forward via the Housing Transformation Programme. Individual Ombudsman severe maladministration determinations have been reported to Cabinet and regular updates on progress will now be reported through our internal governance structure.

- The council needs to ensure it has adequately prepared for the introduction of the new Procurement Act 2023, which is expected to come into force in October 2024. The Act introduces changes to requirements placed on public sector buyers, including greater requirements to publish information about procurement and contract-related decisions.

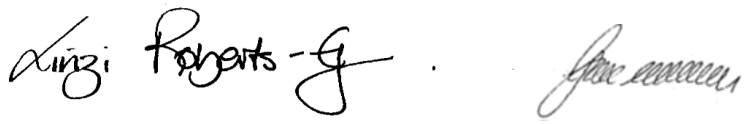
- The council is not currently complying fully with the Openness of Local Government Bodies Regulations 2014 which requires local authorities to publish delegated non-key decisions not published elsewhere.
- The 2020/21 accounts were presented at the Audit and Governance Meeting in April 2024 with delegated agreement to be signed off later following the external auditor final review process. The external audit opinions for 2021/22 and 2022/23 are likely to be impacted by the current proposals, led by the Department of Levelling Up, Housing and Communities (DLUHC), to clear the backlog of audit opinions of local authorities across England. CIPFA and LASAAC led the consultation on these proposals and the outcome has not yet been published. However, it is likely that all audits that have not been completed by an agreed "back stop" date will not progress but will be subject to a disclaimer opinion. The objective is that the audit for the latest set of accounts can then progress and all authorities will then be up to date. A large

number of other authorities are in the same position in relation to not having audit opinions signed off. The council continue to hold Ernst & Young to account for a resolution to this issue going forward but it is likely that this will be delayed further following the announcement of the General Election in July.

- Governance around the delivery of Mission Waltham Forest, to ensure delivery and accountability.

The council is committed to addressing each of these governance issues and has prepared an action plan to enable this, shown in section 4 of the AGS. Progress in implementing the actionplan will be carefully monitored during the year ahead, and an update will be reported in next year's AGS.

Signed by:



Linzi Roberts-Egan
Chief Executive

Councillor Grace Williams
Leader of the Council

Introduction

1.1 Good governance is about how an organisation such as a local authority ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

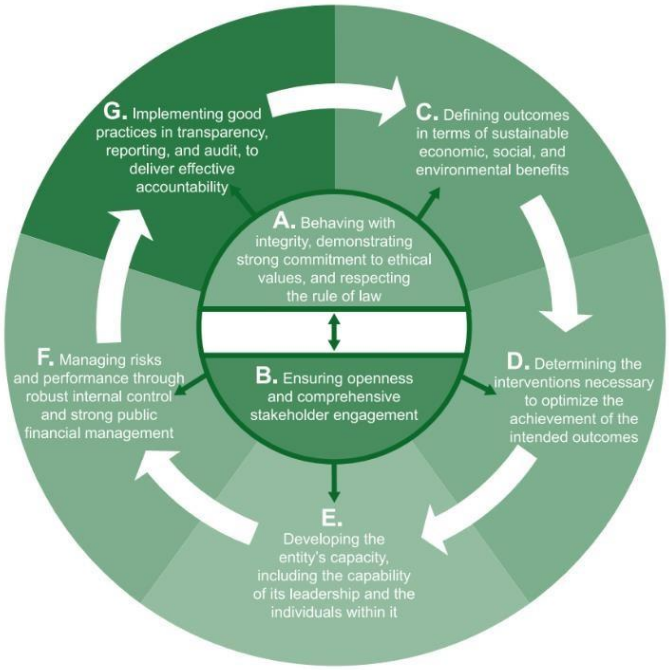
1.2 The *Delivering Good Governance in Local Government: Framework* (2016), published bythe Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), sets the standard for local authority governance in the United Kingdom.

1.3 The framework is designed to help local authorities develop and implement high standards of governance, to ensure that:

- resources are directed in accordance with agreed policy and priorities;
- there is sound and inclusive decision making; and
- there is accountability for the use of resources to achieve desired outcomes for residents and communities

1.4 The framework sets out seven core principles, as illustrated in **Figure 1** below, that underpin good governance in the public sector. It shows that achieving good governance is a continuous process of evaluation and review.

Figure 1 – Delivering Good Governance Core Principles



1.5 The AGS demonstrates how the Council's governance arrangements deliver these seven principles in practice. It is divided into the following sections:

- Section 2 – explains the key elements of the Council's governance framework.
- Section 3 – describes how the Council has reviewed the effectiveness of its governance arrangements in 2023/24 and gives the main findings of this review.
- Section 4 – summarises the actions the Council will take in the year ahead to address the main governance issues identified in the review of effectiveness.

LBWF Council's Governance Framework

2.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and that public money is safeguarded and properly accounted for and used in a way that represents value for money. Additionally, the council has a duty under the Local Government Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy,efficiency and effectiveness.

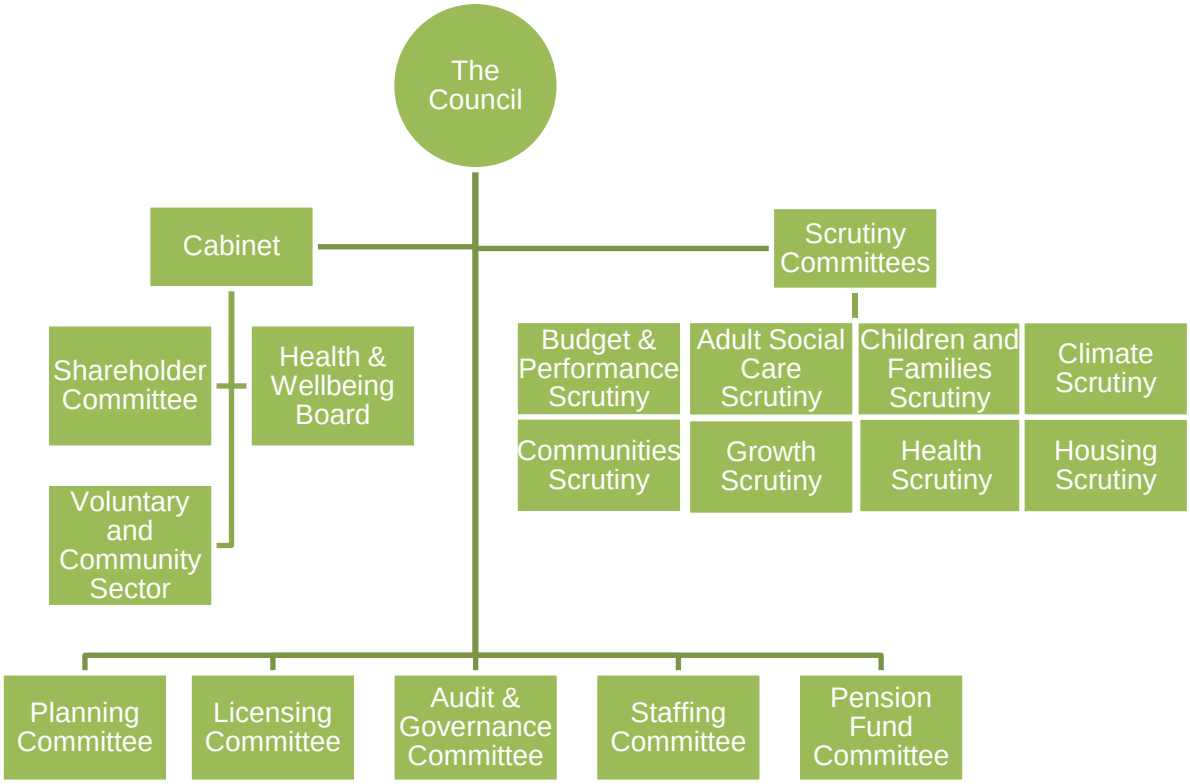
2.2 In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs and the effective management of risk. To achieve this, the council has adopted practices consistent with the seven principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016).

2.3 The Council's approach to governance is underpinned by an ethos and shared values in which the highest standard of conduct is expected from all Members and officers.

2.4 A key component of governance is the council's written Constitution. This sets out how decisions are made and the procedures which are followed to ensure efficiency, transparency, and accountability to residents. A copy of the Council's constitution can be found of the council's website: https://democracy.walthamforest.gov.uk/ieListDocuments.aspx?CId=769&MId=4906&Ver=4&Info=1

2.5 The Constitution defines the roles and responsibilities of the executive, non-executive, scrutiny and chief officer functions. **Figure 2**, below, illustrates the council's policy and decision-making processes, as defined by the Constitution.

Figure 2 – LBWF Council's decision-making structure chart



2.6 Another significant aspect of the council's governance arrangements is its system of internal control, which is designed in accordance with the council's key rules and procedures, including the Constitution, Code of Conduct for Employees and Financial Regulations. The system of internal control is intended to identify the risks that threaten the achievement of the council's strategic aims and objectives, to evaluate the likelihood and impact of those risks, and to manage them efficiently, effectively and economically.

2.7 Appendix A sets out in more detail the core elements of the council's code of governance and demonstrates how these align to the seven principles of the CIPFA/SOLACE framework.

2.8 The rest of section 2 highlights certain aspects of the council's governance arrangements that have seen significant developments in 2023/24.

The Council's Corporate Governance Review

2.9 The Constitution Working Group regularly reviews and updates the Constitution. The overall aim is to:-

- Ensure the Constitution is compliant with relevant legislation;
- Review the Terms of Reference for Committees;
- Update Schemes of Delegation, Procurement Rules and Financial Regulations, including researching best practice; and
- Update the Code of Conduct for Members and the arrangements for dealing with member complaints; and
- Ensure the constitution is accessible.

2.10 The council has also reviewed its scrutiny arrangements across the council with a new structure to come into effect in May 2024.

2.11 The revisions to the scrutiny structure have been made to better align with the priorities for the organisation as set out in the Council's Corporate Framework: Mission Waltham Forest. The new scrutiny structure seeks to build greater accountability in the work of scrutiny through the introduction of a Coordinating committee, tasked with coordinating the annual work programmes and reports to Council, and scrutiny of council-wide issues such as performance, resident experience and equity and inclusion.

2.12 The Monitoring Officer is also reviewing local schemes of delegation and internal control arrangements, to further strengthen these arrangements.

Complaints Process

2.13 Complaints are an important way for an organisation to be accountable to the public, as well as providing valuable insights into organisational performance and the conduct of staff providing services to residents in order to drive improvement in service delivery.

2.14 The council has a formal two-stage process for managing complaints. At stage 1, a complaint is passed to the relevant department, who investigate and aim to respond within twenty working days. If having received a Stage 1 response, the complainant is dissatisfied, they can raise a Stage 2 review.

2.15 The council's aim is to ensure that when things go wrong, it responds quickly to put things right. The council is committed to learning from and improving its performance in response to customer feedback.

2.16 The council is currently working through a significant backlog of both Stage 1 and Stage 2 complaints. As at 31 March 2024 there were 440 open Stage 1 complaints of which 244 were overdue. There were 53 open stage 2 complaints of which 33 were overdue.

2.17 To address the backlog, the council has increased the capacity of the Corporate Complaints team, to assist with eradicating the backlog and has implemented an improvement plan to improve performance going forwards. Complaints processes are included in the modernisation project which is focusing on procurement of a bespoke complaints, Freedom of Information requests (FOIs) and (Subject Access Requests (SARs) handling system, this will provide significant improvements to the process across the organisation. The council has also employed a project manager for six months to help drive the complaints turnaround times.

2.18 A bi-weekly Complaints Review Project Board led by the Corporate Director of Governance and Law Resources was established, to provide oversight and governance. The Project Board reviews the weekly highlight report, examines progress in reducing the backlog and oversees the service review. Responsibility for complaints, SARs and FOIs has been transferred to the Director of Governance and Law to provide a better corporate oversight.

2.19 Section 4 of the AGS explains how the council will monitor the implementation of this plan in the year ahead and details further actions the council is proposing.

Budget Process

2.20 As outlined in Appendix A, the Council maintains a robust approach to its budget setting process to ensure that it can continue to deliver services in a sustainable way within the context of a balanced budget and medium-term financial strategy (MTFS). The Council's financial management processes are agile and able to respond to changes in the external environment in order for outcomes to be achieved, despite significant and changing pressures on resources. Other aspects of this process include:

- maintaining an annual MTFS which scans the next few years – both internally and externally – to ensure that the Council can manage its resources effectively.
- indicative levels of Council Tax, Business Rates and Fees and Charges income to fund essential services.
- the base budget position for the forthcoming year, including cost pressures from increases in service demand and inflation (including contract, energy and pay).
- ensuring balances and reserves are robust and sustainable.
- challenging budget savings proposals to ensure they are deliverable in value and on time.
- taking the MTFS and budget reports through Budget and Performance Scrutiny to provide a further layer of due diligence.

Responding to the impact of high inflation

2.21 The Consumer Prices Index rose to a peak of 11.1% in October 2022. In 2023, the average rate of inflation was 7.5% and assumptions are that it will be 3% for 2024. Despite falls to the rate of inflation during the latter part of the year the historical high inflation has had a significant impact on the council's financial planning, eroding available resources, and acting as a constraint on budgets while many residents were also struggling with rising prices. The sections below set out how the council has responded to inflation specifically and the cost-of- living crisis.

Inflation

2.22 The budget for 2023/24 included a provision of 4% for the pay award but the final award averaged at 6.1% for the Council with an additional pressure of £3.1m.

2.23 The financial impact to the council of sharp increases in gas and electric prices were significant in 2023/24, with annual energy costs rising by nearly 700% over the past 3 years. Energy budgets for the council's corporate buildings and streetlighting will be exceeded by £2.8m in year. The medium-term energy market outlook indicates that prices will remain high for the foreseeable future. It is anticipated that energy costs will remain a financial pressure in the coming years which the Council will continue to proactively manage.

2.24 Inflation has also continued to impact our capital and home building

programmes. Construction costs increased overall by 3.5% nationally during 2023 and capital borrowing costs remain high at over 5%. Due to this the council has had to make the difficult decision to pause a number of home building projects. This includes Avenue Road Estate Regeneration in Leytonstone, the Chingford Hub (new homes) and planned housing developments at Church Lane Car Park in Leytonstone. Additionally, the council has stopped plans to build a Lido at Low Hall due to increased costs of borrowing. It was also a key factor in putting it's fully owned traded company Sixty Bricks into dormancy.

Cost-of-Living Crisis

2.25 The cost-of-living crisis continues to have a significant impact on the Council's residents and businesses, and the cost-of living remains the top concern of residents (Resident Insight Survey, Autumn 2023). The council is committed to helping the borough's most vulnerable residents through the cost-of-living crisis.

2.26 In addition to a core offer of support that has been protected despite many years of funding pressure, significant new activity was introduced to maximise the effectiveness of the council's local response, as outlined below:

- ongoing delivery of the council's core offer of financial and advice support for residents and businesses;
- maximising the effective targeting of relevant government grants, such as the Household Support Fund, and ensuring they were rapidly distributed to residents in greatest need of support. This grant has been extended for another six months to end of September 2024;
- building on our partnership work with the Voluntary and Community Sector to maximise the reach of cost-of living support, including through our network of community living rooms;
- On the 14th December 2023, the Council agreed to continue, for another year, the council tax support scheme agreed for 2023/24, where the maximum support awarded to working aged people is 85%.
- There is £750,000 earmarked in reserves for a Discretionary Hardship Fund to offer additional help and support to those suffering the greatest financial hardship as defined in the Discretionary Council Tax Support Hardship Fund policy.

Cyber and Data Security

2.27 A key element of good governance is having effective arrangements in

place for the safestorage, use and sharing of data. Cyber-crime continues to grow in intensity fueled by the global political tensions that have continued over the last year. The council's ongoing programme of activity to reduce cyber risk has progressed well.

2.28 Current activity of significance has included:

- Specific cybersecurity staff, software and systems including Security Incident Event Managements, Security Operations Centre, Business Continuity and Disaster Recovery provision;
- Continued achievement of Public Sector Network Certification (PSN);
- An ongoing training and awareness programme on cyber security for all staff;
- An ongoing mandatory training program for all staff in accordance with the NHS Data Protection and Security Toolkit (NHS DSPT) requirement.

Commissioning and Procurement

2.29 The council has strong governance arrangements in place in relation to commissioning and procurement practices, to allow it to focus on maximising value for money and affordability, and on delivering user focused procured services that meet contractual commitments and are based on strong supplier relationships.

2.30 The council has a clear direction for Commissioning and Procurement as set out in the Procurement Strategy, which sets out the council's general approach regarding money spent with third parties.

2.31 The strategy is supported by the council's Contract Procedure Rules and individual service and commissioning plans. The Procurement service supports officers to comply with the legislative and governance framework for procurement and extensive suites of guidance, templates and forms ensure that important aspects of the procurement and supply process are clearly set out and available to all officers.

2.32 Internal challenge is delivered on significant decisions by the Strategic Commissioning Board, comprising senior managers from all areas of the council and specialist experts.

2.33 The council is preparing for the new Procurement Act 2023, which is expected to come into force in October 2024. The Procurement Act aims to create a simpler, more flexible, and effective procurement regime for public procurement. This includes the establishment a single digital platform for

both buyers and suppliers to access procurement data, and a public debarment list for excluded suppliers.

2.34 While value for money will remain the core objective of procurement, the Act will require public sector buyers to take account of national strategic priorities such as creating new jobs, tackling climate change, improving the diversity of their suppliers and innovation.

2.35 Enhanced transparency requirements under legislation include publishing information about future procurement ahead of time, and publicising new contract opportunities, procurement results and information on contract performance.

2.36 The council's preparedness for the implementation of the new Procurement Act is considered in section 4 of the AGS.

Capital Programme and Governance

2.37 In February 2024, Cabinet endorsed a new Capital Investment Strategy, a key component of its Budget. The strategy sets out the council's capital programme over the next ten years, which invests £745.9 million into schools, transport improvements and infrastructure, new and affordable housing development, improvements to Council owned homes and strategic corporate property initiatives.

2.38 The strategy demonstrates how the substantial planned investment is aligned to and delivers its strategic priorities established in Mission Waltham Forest and also that the council's investment plans are affordable to the Council and prudently managed. Additionally, to support strong financial management the strategy also established a new 'Capital Prioritisation Framework'. The framework will guide strategic decision-making around current and future capital investment to focus spend on maintaining delivery of established capital schemes, avoid the addition of new pressures to the Medium Term Financial Strategy (MTFS) and where possible, ensure investment helps to alleviate budget pressures.

2.39 The capital programme is underpinned by a robust delivery and goveranance framework, with strategic projects corporately governed by Programme Boards, with senior responsible officers, cross-council stakeholders and technical experts part of Boards. These report to the Capital Strategy and Asset Management Group (CSAMG) and Place Board which provide senior leadership and member input to both the captial programme and individual projects.

2.40 Complementing the capital programme, are the Property Transformation Strategy and Strategic Asset Management Plan (SAMP). Both strategies ensure that the council has a strategic, long-term approach to managing and enhancing both its corporate estate and community asset base.

Lead the way for a net-zero borough

2.41 The long-term nature and impact of many of local government's responsibilities mean that it should plan for sustainable outcomes that are within its financial means, and take a longer-term view when making decisions that balance the combined social, economic and environmental impact of policies.

2.42 The council demonstrates this in one of its six strategic missions, to tackle the Climate Emergency head on, paving the way for net-zero in Waltham Forest. In addition to the Council Governance, we have a cross-council group to ensure we are delivering climate action, chaired by the Strategic Director for Neighborhoods and Environment and a specific Climate Scrutiny Committee. Finally, we have a Resident Climate Panel with a representative group of 100 residents to ensure we are accountable to the public but also that our climate programmes are designed effectively. The Council has a strategic risk to adequately respond to the Climate Emergency and delivery of the Climate Action Plan. The risk and responding mitigation actions are reviewed and reported on a quarterly basis.

Review of Effectiveness

3.1 The council has a responsibility to conduct, at least annually, a review of the effectiveness of key elements of its governance framework including the system of internal control. The council has undertaken this review in accordance with the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016).The review has drawn on the following sources of information:

- External Audit outcomes
- Internal Audit outcomes, and the Head of Internal Audit's annual opinion
- Audit and Governance Committee reports
- Work of Governance Board
- Reports from inspectorates and Ombudsmen
- Scrutiny arrangements
- Risk management arrangements
- Information governance arrangements including the work of the Information Governance Board
- Performance and budget monitoring information
- Self-assessments undertaken by Strategic Directors Work of the Strategic Commissioning Board

3.2 Further details on some of the key sources of information considered in the review are set out below. In addition to this annual review, senior leadership and management routinely review elements of the governance arrangements throughout the year, to streamline and improve processes

and make sure these arrangements remain fit for purpose. In particular since the arrival of the new Chief Executive in July 2023 there has been a significant change to the internal governance of the Strategic Leadership Team in relation to the discipline of meetings, with a forward plan, minutes and action logs and greater interaction with Cabinet through regular informal Cabinet meetings, Leaders Board, and Risk Boards, again which have forward plans, minutes and actions.

This governance structure aimed to ensure all high priority projects across the council have senior officer and member input and steer keeping pace with the evolution of the organisation. With the routine review of internal governance underpinned by principles the following principles:

- Enable holistic and strategic decision making.
- Embed a culture of constructive corporate performance and financial management.
- A focus on putting residents at the heart of decision making.
- Clear structures and opportunities for political and corporate input
- Break down silos and hierarchies.
- Space for thoughtful consideration and strategic thinking.
- Robust processes with flexibility to respond to urgent or emerging challenges and risks.
- Realising the golden thread between internal governance and the principles set out in Mission Waltham Forest:

External Audit

3.3 The council's external auditors, Ernst & Young have not yet issued their final audit opinion on the 2020/21 Statement of Accounts. They have, however, completed their audit work and presented their provisional position to the Audit and Governance Committee in April 2024. The council faces the same delays as many other councils in the country and we are not an outlier in that respect. Despite the council putting pressure on Ernst & Young to issue their outstanding audit opinions the same remain outstanding. Nevertheless the council through the work of the Audit and Governance Committee continue to hold Ernst & Young to account and Ernst & Young regularly attend Committee to give updates on the audit opinion position,

3.4 Delegated authority was agreed at the April 2024 Audit and Governance Committee meeting for the chair to sign off the accounts following Ernst & Young's final review. The external audit has not reported any significant governance issues, or highlighted any material errors in the financial statements. It is anticipated they will issue an unqualified audit opinion. In previous years, external audit has consistently provided an unqualified

audit opinion on the council's statement of accounts and statutory grant claims, with few adjustments required to the statements and claims as a result of their audits.

3.5 In the Auditor's Results Report in for 2019/20 which was presented to Audit & Governance Committee on the 1st November 2023, Ernst & Young did not identify any significant weaknesses in the council's financial sustainability, its governance arrangements or in its arrangements for improving economy, efficiency and effectivenessin. They made the following recommendations to strengthen arrangements:

External audit recommendation	Response
Recommend that the Council undertakes a review of the governance arrangements in place in relation to its companies, taking into account and addressing the issues noted in this report. In particular, the Council should develop a governance structure that provides more effective monitoring of its dormant companies.	During 2024/25, the status of these companies will be reviewed and reported back to Audit & Governance Committee.

3.6 External audit did not consider the matters above to be significant governance issues.

The audit opinion for the 2021/22 and 2022/23 accounts are still outstanding. Delays in Audit firms in undertaking audits of local authorities are widespread across the sector and were first highlighted by Sir Tony Redmond's independent review of local authority financial reporting and external audit in 2020.

3.7 The reasons for the continuing delay in publishing audited accounts are complex. Recent uncertainty over how to value infrastructure assets meant many audit opinions were delayed during 2022 and the beginning of 2023. Whilst CIPFA has now provided clarity on infrastructure assets, during this period a significant backlog of audits has built up, and a lot of audit resource is now being absorbed in resolving the backlog. Other factors contributing to the delays include capacity problems within audit firms and difficulties retaining experienced auditors, the increasing complexity of local authority audit work, and the lack of a sector leader for local government audit to co-ordinate and respond efficiently to emerging risks and issues where a national steer is required.

3.8 The timely completion of external audits is vital in providing local authorities

with accurate and reliable financial information to plan and manage their services and finances effectively. It ensures local authority financial arrangements, including whether value for money is being achieved, are transparent to the taxpayer, and facilitates assurance for the public sector more broadly through the audit of the Whole of Government Accounts.

3.9 To resolve this backlog, a ministerial statement was issued last summer settling out the Government's proposal to re-establish the local authority audit framework on a more sustainable basis, with a focus on providing assurance on public bodies' most recent financial information. The Government's proposals will help to reset local authority audits, with auditors able to focus on providing assurance on public bodies' most recent financial statements. Additionally, there will be benefits to authorities in reducing demands on teams by allowing them to focus on the most recent financial year.

3.10 The proposals are intended to seek to use:

- Use legislation to set statutory deadlines (backstop dates) for account preparers and auditors to clear the backlog, acknowledging this will result in qualifications and disclaimers of opinions in the short term. This is currently expected to be 30 September 2024.
- Continue to require auditors to report on value for money, alongside existing statutory powers.
- Find a sustainable solution for the future, which may require:
    - Changes to the CIPFA code for preparation of accounts;
    - An audit approach that seeks to rebuild assurances on account balances over a period of time rather than in the first year following a qualification (disclaimer or scope limitation);
    - Developing an escalated reporting framework for audit firms and local bodies to resolve issues ahead of statutory deadlines; and
    - Continued investment in the capacity in the audit market.

3.11 The consultation on these proposals was completed in mid-March 2024 but an update on next steps and timelines have not yet been provided. For the Council, as the audits for 2021/22 and 2022/23 have not been scheduled by Ernst & Young, it is unlikely that they will be completed by the backstop date and therefore, it is probable that they will be subject to a disclaimer.

3.12 For 2023/24, the Council will have new external auditors, KPMG. If legislation on the backstop dates progresses before June and the disclaimer position is resolved for 2021/22 and 2022/23 during the summer, KPMG are scheduled to start the 2023/24 audit in the autumn and have it completed before the end of the calendar year.

3.13 The proposals set out in 3.10 to 3.12 above were correct prior to the General Election being called in July. It is unlikely that there will be further clarity on this prior to the Autumn.

Internal Audit

3.14 The council's Internal Audit annual plan sets out a programme of work designed to provide assurance to the Section 151 Officer, management and Members that, in relationto areas included in the audit plan, the council complies with relevant laws, regulations, internal policies and procedures and has taken action to mitigate principal risks.

3.15 The 2023/24 Internal Audit plan included 794 planned days of audit work. This resulted inthe delivery of 58 audits, covering all the council's directorates, as well as cross-cutting themes.

3.16 Follow up of audit recommendations in 2023/24 demonstrated a good level of engagement from directorates. All recommendations were found to be implemented or partially implemented at follow up, with a further programme of work being undertakenin the first quarter of 2024/25 to assess the implementation of open actions. Residual risks will be closely monitored through follow-up audits in 2024/25.

3.17 The Internal Audit service continues to be effective, complies with Public Sector Internal Audit Standards (PSIAS), and provides the necessary skills and expertise to deliver a cost effective, value added, service to the council, its partners, and stakeholders.

Member complaints

3.18 The Monitoring Officer is responsible for considering whether complaints about a breach of the Code of Conduct for Members should be investigated, and for hearing complaints which have been investigated.

3.19 The Monitoring Officer deals with all complaints against members in consultation with the Council's statutory independent person. Six complaints were referred to the Monitoring Officer to deal with alleging breaches of the Council's Code of Conduct by Members, none of which were upheld. This compares to nine complaints being received in 2022/23 of which two were upheld.

A summary of the six complaints is provided below.

- <u>Complaint One</u>

  A complaint about a Councillor alleging that he had lied in relation to a consultation with the London Ambulance Service back in 2020 and 2021. The Council's procedure for investigation of complaints against members states that certain complaints including those which relate to matters or events more than 3 months before the date of the complaint are normally not suitable for investigation, save where the Monitoring Officer accepts there are exceptional circumstances.

  The matters related to 2020 and 2021 and were over two years old. Furthermore, the

issues had already been the subject of previous complaints which had been dealt with and led to the imposition of an unreasonable behaviour order against the complainant.

Accordingly, no further action was taken in relation to this matter

- Complaint Two

The complaint against the councillor related to the issue of a PCN whilst entering a 'School Street' during restricted hours.

The PCN was appealed, and the Independent Adjudicator upheld the council's position. The resident has queried the matter with the councillor notwithstanding that there is a clear procedure to deal with PCNs.

The councillor sent 6 emails by way of response to the various queries that the resident has raised. There was nothing wrong with the tone of the emails from the councillor who had tried to be helpful.

There were no issues from a code of Conduct perspective on the part of the councillor and no further action was taken.

- Complaint Three

The complainant was not happy with the way the council undertook some consultation and criticised the Councillor for 'liking' a post on social media which related to the consultation.

Firstly, the capacity in which the councillor was engaged on the social media site was in a private capacity rather than any official capacity which meant that the matter was not within the jurisdiction of the Monitoring Officer to investigate.

The councillor has legitimately exercised her discretion to like certain posts which was perfectly reasonable. She couldn't be expected to like posts that she didn't agree with.

It was not the councillor's responsibility to explain the steps officers took to consult/engage local residents. The complainant should have raised any concerns directly with the Council and if she was unhappy with the lack of formal consultation then the proper avenue of redress was through the Council's Corporate complaints system, not through 'chat' on a Facebook page. No further action was taken.

- Complaint Four

A councillor made a complaint about an opposition councillor in relation to an alleged defamatory letter concerning a ward forum event. Complaints between members are normally left to the political groups to sort out unless the Monitoring Officer considers that there are exceptional circumstances that warrant an investigation.

No formal action was taken but both groups agreed the wording of a new protocol setting out the governance for future ward forum events.

- Complaint Five

Complaint from a councillor about his treatment at a Planning Committee – He alleged that he was not provided with answers to some of the questions he put to officers at a planning committee and blamed the chair of the Committee for not allowing sufficient time for answers to be given to him before moving to the vote.

Following an initial investigation, it was apparent that at the relevant committee meeting the Planning Officer gave a detailed report and presentation, including visuals. Following this, three members of the public who had registered to speak all had their allotted three minutes to make their submissions. The applicant also was given speaking rights.

The Planning Officer gave his response to all the points raised by members of the public.

After this, the item was referred to committee members for questions, debate and decision. There were detailed responses to all these. Following this, the motion was moved and seconded. It is the Chair's responsibility to consider whether there has been sufficient debate and the Chair was of the view that the committee had fully debated the matter.

The Terms of Reference of Planning Committee state that the Chair should decide when the debate is finished. In this case, the Chair reasonably believed that the Committee had debated the application fully.

The committee service officers and Senior Planning lawyer at the meeting had no concerns about the way the decision was taken or that there had not been sufficient debate.

In terms of lawfulness, it is for each councillor to be satisfied that they have enough information to make a decision, none of the other councillors raised this as a concern – if a councillor felt he/she didn't have enough information to make a decision he/she could have requested a deferral which could have been moved, seconded and voted on. Accordingly, no further action was taken.

- Complaint Six

A number of complaints were made against a councillor in relation to comments the member had posted on social media concerning the member's view on Israel and Hamas. Given the political sensitivity of the matters external solicitors were commissioned to investigate the matter. They concluded that here had been no breach of the Code of Conduct and that although the councillor was acting in an official capacity the member was entitled to freedom of expression in this matter.

Risk Management

3.20 The review of the Risk Management Strategy was agreed by the Audit and Governance Committee in July 2022.The Strategic Risk Register was presented to the Committee in January 2024 in line with the agreed reporting cycle.

The key highlights are shown below-

- Financial stability and resilience - High inflation and demand for Council services are having a significant impact on the council's budget. The budget setting process for the2024/25 financial year has been particularly challenging amidst great economic and political uncertainty. There is a significant budget gap to close over the medium-term outlook.

- Volatility in the energy market - An unpredictable fuel and energy market has givenrise to significant risk to the council's energy purchasing, and is expected to remainhigh until the end of the war in Ukraine.

- Declining financial resilience of residents - the cost-of-living crisis is likely to remain over the next few years and will present challenges for residents to remain financiallyresilient, a significant proportion of whom already face long term income deprivation.

3.21 Section 2 of the AGS sets out the arrangements the council has in place to manage theserisks, including flexible and robust medium term financial planning arrangements

CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the FM Code authorities can demonstrate their financial resiliencein meeting foreseen demands and unexpected financial shocks. The Medium-Term Financial Strategy is prepared in line with the FM Code.

Freedom of Information and Subject Access Requests

3.22 In 2023/24, the council received 1733 Freedom of Information requests, an increase of 1 % compared to the prior period. The council responded to 100% of requests within 20 working days, which is above the Information Commissioner's Office (ICO) expectation. Subject Access Requests, an increase of 84 % requests compared to the prior period and responded to 51% within the target timeframe. At least 20% of the Individual Rights Requests are for children's social care files which are complex and often involve a significant number of paper files that must be scanned, reviewed and redacted. This is a complex process which can exceed the statutory timeframe. As at March 2024 there were 45 live SAR requests, of which 15 remained overdue. A new project manager and three additional temporary staff have been recruited to clear the backlog over the next few months.

3.23 A review is underway which will centralise the teams that deal with

Complaints, Freedom of Information and Subject Access Requests under the Governance /and Law team. The wholesale review of processes will ensure they meet the new Standards of the Complaints Code of Practice issued by both the Local Government and Social Care Ombudsman and the Housing Ombudsman and the procurement of a new case management system. It is expected that these changes will improve response times and reduce the current backlog of both complaints and Subject Access Requests.

Data Protection

3.24 The ICO carry out compulsory audits or ask organisations to participate in a 'consensual'audit. The council has not been required to participate in any audits by the ICO in 2023/24. The council is required by law to refer data breaches to the ICO where they meet the threshold for reporting. One incident was reported to the ICO in 23/24 where a third-party provider failed to follow established operational security processes standards in 23/24

3.25 Individuals are entitled to escalate complaints to the ICO, where they have a Freedom of Information or Data Protection concern, for example a late/incomplete subject access request, or alleged data breach of data protection legislation. The ICO can issue a decision notice in response to an FOI complaint (this can be for or against the council). The ICO can also issue practice recommendations or fines in relation to breaches of data protection legislation. There have been no decision notices or practice recommendationsissued against the council in 2023/24.

3.26 Individuals are entitled to appeal an ICO decision notice or data protection complaint to the First Tier Tribunal (FTT). Whilst these appeals are against the ICO, the council can be added as a second respondent by the ICO or the FTT. The council was not added asa second respondent to any FTT complaints in 2023/24.

Care Quality Commission and Ofsted

3.27 The Care Quality Commission (CQC) is an independent regulator of health and social care in England. No inspections were undertaken of Adult Social Care in 2023/24. However, the last decade has seen adults' budgets cut by 50% up and down the country and there is no sign of a long-term funding solution. It is a position that is financially unsustainable for councils. In addition, since Covid, demand has significantly increased in terms of volume and acuity due to the NHS' policy of Discharge to Assess (D2A) causing many social care departments to overspend as Councils have never been funded to provide NHS care and this is financially unsustainable. Furthermore, the national Fair Cost of Funding exercise has caused all nursing, residential care and home care providers to increase their prices, the London Living Wage has increased prices and the Cost-of-Living Crisis has impacted upon residents and providers alike. Adults' services priority over 24/25 is to deliver a reduced overspend and regain

control of the budget despite these significant national pressures, and to improve health and wellbeing outcomes for the Council's residents who need to access adult social care.

3.28 Ofsted is a government department that inspects services providing education forlearners of all ages. Ofsted reports are published on its website. The latest Ofstedreports for 2022/23 show that of the council's maintained schools:

- (17) schools are Outstanding
- (80%) schools are Good
- (1) school Requires Improvement

Local Government and Social Care Ombudsman and Housing Ombudsman

3.29 The Local Government and Social Care Ombudsman (LGSCO) conducts independent, impartial investigations of complaints about service failure and maladministration in Local Authorities, in line with Part III of the Local Government Act 1974. The LGSCO sends thecouncil annual reviews of its performance, they are reviewed by SLT and the Audit and Governance Committee.

3.30 The latest available Annual Review letter dated 19th July 2023 covering the period 2022/23, shows the LGSCO upheld 78% of complaints against the council (compared to a sector average of 77% and were satisfied the council had successfully implemented its recommendations in all cases. The council provided a satisfactory remedy before the complaint reached the Ombudsman in 19% of upheld cases (compared to an average of 14%in similar organisations). Compensation paid for the financial year 2022 – 2023 was £30,132.00 (£21,767.00 was paid by Education & Childrens Services

The Housing Ombudsman (HO) resolves disputes involving the tenants and leaseholdersof social landlords and is the final stage for complaints that have already been respondedto as part of the council's internal complaints process. The latest available report on the HO website shows that in 2022/23, 18 cases were determined by the HO, and 8 were determined as maladministration or service failure. The council complied with all HO orders within six months and paid out £20,200.00 in compensation.

3.31 Whilst these reports, from 22/23 do not highlight any significant governance issues, in 2023/24 the council has become the subject of increasing scrutiny from the HO and LGSCO. The Council has seen a significant increase in the number of complaints made to the council and in its response times, to a point where the council now has a significant backlog of complaints to process. Measures already taken by the council to try and address this were highlighted in section 2 of the AGS.

3.32 In the Financial year 2023/24 two severe maladministration orders were received from the Housing Ombudsman totaling £13,250.00 in compensation payments. One Public Interest Report was published by the Local Government & Social Care Ombudsman in February 2024.

3.33 The council has implemented a plan to address the backlog of complaints and is proposing further improvements to the arrangements in the coming year. Section 4 of theAGS summarises the actions proposed.

Performance and budget monitoring information

3.34 A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it enforces financial discipline, strategic allocation of resources, efficient service delivery and accountability.

3.35 The Council's general fund outturn position for 2023/24 includes service pressures of £18.4m which have been fully funded from a mix of sources including corporate balances, additional interest received, business rates levy and pool.

3.36 Service pressures in social care increased rapidly during the COVID-19 pandemic, particularly because of the discharged to assess practice from hospital for Adult Social Care. The outturn position at March 2024 is a pressure of £8.5m for Adult Social Care, £4.8m for Children's Social Care and £4m for SEND. To resolve these funding pressures, the Council has deleted the previous position for Strategic Director of People and created a dedicated strategic director post for Children's Services and Adult Services. A significant emphasis of the Transformation Programme is managing the budget pressures in Children's and Adult Services.

3.37 The total revenue reserves at March 2024 are £91.7m. This includes a balance of £25.4m at March 2024 for the budget strategy reserve which is required to manage service budget risks and investment in the Transformation Programme. These reserve balances exclude the general fund working balance of £14.9m.

3.38 The outturn position for the Housing Revenue Account is a pressure of £0.484m which is funded from reserves and reduces the balance to £5.5m. The pressure was predominantly due to the backlog of works for repairs and maintenance, Waking Watch services, and legal disrepair. The services are putting measures in place to ensure it is within budget for 2024/25 and strategies are being developed to replenish the reserve balances.

3.39 85% of the capital programme was delivered with forecast capital expenditure of £124.9m against a 2023/24 budget of £147m. In addition to the capital programme budget the council also spent £56.7m in-year through the strategic acquisition of 197 homes at Osier Way as part of the Refugee Housing programme. The majority of this budget is forecast to be spent in-year. Combining the overall capital programme and Osier Way acquisition the total annual capital outlay is £180.8m against a budget of £203.6m (88% of budget spent).

3.40 The financial position of the Council's schools remains challenging, mirroring the national picture with schools facing increasing cost pressures.

3.41 The council is currently formulating recovery plans to ensure schools future sustainability. This issue will be monitored through section 4 of the AGS.

Self-Assessment

3.42 In accordance with the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016), a self-assessment of the effectiveness of governance arrangements was completed in April and May 2024 by each directorate, to inform the AGS. Where these self-assessments identified particular governance issues or areas where improvements are needed, these are detailed in section 4 of the AGS.

Governance Issues

4.1 A key element of the annual governance statement is to identify any significantgovernance issues. Table 2 below summarises the governance issues which management will continue to monitor and address in the year ahead.

Table 2 – Governance issues to monitor in the year ahead

Governance issue	Action	Responsible Officer	Target Date
The council make any necessary changes to its Constitution including: • Scheme of Delegation • Changes to improve accessibility	The Constitution l Working Group will oversee this work and recommend to Audit and Governance Committee and then Full Council the necessary revisions to the constitution	Corporate Director of Governance and Law	March 2025

Governance issue	Action	Responsible Officer	Target Date
The council has a significant backlog of complaints and SARS, and the response times have been impacted negatively. There is increased scrutiny from the Housing Ombudsman and the Local Government and SocialCare Ombudsman. The SARs backlog will become a concern for the ICO if it is not brought into line with their statutory response timelines. The complaints process is an important way service users and the public can hold the council to account. A deterioration in this process can erode the council's ability todemonstrate ethical conduct and the delivery of desired outcomes.	Implement and monitor delivery of an improvement plan to address the backlog of complaints and SARS. This plan includes increasing the capacity of the corporate complaints team, changes to working practices, and procuring a bespoke case management system which will significantly improve the customer journey as well as providing robust and accurate performance data. Other plans include implementing: • A performance dashboard for the department to track progress, risks, issues and mitigation plans across the financial year. • Quarterly feedback reporting on complaints, Subject Access Requests and MEs.	Corporate Director of Governance and Law	December 2024

Governance issue	Action	Responsible Officer	Target Date
The approach to internal governance was refreshed in August 2023, and is set to again in April 2024. The approach seeks to embed principles to create a more collective approach to decision-making to deliver on the ambition for residents. This governance structure aimed to ensure all high priority projects across the council have senior officer and member input and steer. Our Missions as set out in Mission Waltham Forest must be at the heart of decision making. Ensuring leadership throughout the organisation is open about the issues, challenges, and doing things differently, by identifying opportunities to reduce inequalities and promote equity within the organisation and borough. Adult Social Care – improvement of services/delivering savings under the review has identified a number of areas where arrangements can be strengthened.	Review of internal governance to take place every six months. Undertake alignment exercise and approach with the formal governance forward plan to ensure early steer and strategic oversight. Implement any changes from the April 2024 review and embed across the organisation. Adult Social Care is focusing on the completion of early reviews of care to ensure that support meets people's needs appropriately. The director is leading this work, and the delivery team set tight targets and work directly to the director.	Corporate Director, Comms & Leadership Office	Every 6 Months – Oct 24, Apr 25

Governance issue	Action	Responsible Officer	Target Date
	This work will be overseen monthly by the transformation, strategic leadership teams and the lead Cabinet Member for adults.		
Recent severe maladministration determinations by the Housing Ombudsman have highlighted the need for ongoing improvements in Housing, especially to the Repairs & Maintenance service. Ensuring that our tenants are safe, comfortable, and secure in their homes is a top priority and we acknowledge that we did not meet our own high standards in these cases.	We have accepted the Ombudsman's findings in full and robust plans have been taken forward via the Housing Transformation Programme. Individual Ombudsman severe maladministration determinations have been reported to Cabinet and regular updates on progress will now be reported through our internal governance structure. As part of our Housing Transformation Programme we have or are in the process of implementing a number of service improvements to improve resident experience. These include: ▪ Establishing a Damp & Mould Taskforce and a 'zero tolerance' approach to damp and mould.		

Governance issue	Action	Responsible Officer	Target Date
	▪ Improving repairs performance through: ○ Reducing our repairs backlogs ○ Ensuring that better controls and supplier coordination measures are in place to ensure progression of works beyond the initial attendance/inspection. ○ Addressing keeping appointments with our repairs & maintenance partners through contract management. ○ Developing a complex case tracker to ensure greater focus on complex repairs. ○ Delivering coaching around customer service with our partners to promote consistency. ○ Being more proactive in terms of picking up trends which could indicate wider service failures, including listening to calls and identifying value and failure demands. ○ Asking for comments when residents respond positively to TSMs.		

Governance issue	Action	Responsible Officer	Target Date
	○ Introducing a new post inspection regime in September 2023 to assess quality of works ○ Implementing a new Access Policy to address barriers to carrying out important repairs. ▪ Taking a more empathetic and proactive approach to resolving complaints. We are training our teams to be transparent in how they respond to complaints, recognising fault where it occurs and acting swiftly to address issues and provide appropriate compensation. In April 2023 we carried out a process mapping review of our Stage 1 complaints, reducing turnaround times to 10 days. ▪ Reviewing how we handle and respond to cases of ASB through development of a new ASB procedure. In addition, we have enhanced capacity in this team by appointing an additional ASB Lead for Housing.		

Governance issue	Action	Responsible Officer	Target Date
	▪ Implementing a new Succession Policy and training tenancy staff on how to support residents with succession and the death of a tenant.		
The new Procurement Act 2023 is expected to come into force in October 2024. This will introduce changes to requirements placed on public sector buyers, including enhanced transparency requirements to publish information about procurement ahead of time, and publicise new contract opportunities, procurement results and information on contract performance.	Review and update as necessary current Contract Procedure Rules, written procedures, intranet guidance and procurement documentation to ensure compliancewith the new Procurement Act. Ensure officers receive adequate training (utilising the Cabinet Office's learning offer) andguidance on the requirements of the Act and the operational and governance changes thatwill be required. Review procurement pipeline to determine risks and opportunities with commencing new procurement projects under the current or future regimes.	Corporate Director of Return on Investment	September 2024

Governance issue	Action	Responsible Officer	Target Date
The council is not currently complying fully with the requirements of the Openness of Local Government Bodies Regulations 2014 which requires local authorities to publish delegated non-key decisions not published elsewhere.	Ensure information on the council's website is fully compliant with the regulations.	Corporate Director of Governance and Law	Nov 2024
External audit's opinion on the 2020/21, 2021/22 and 2022/23 accounts has not yet been issued, reflecting sector-wide delays in publishing audited accounts. The 2020/21 accounts will be presented to Audit and Governance Committee in April 2024 and will be signed later that month. To be able to effectively plan and budget for the future, the council needs accurate and timely information about its financial position, which is confirmed in the publication of audited accounts. Untimely audits can contribute to governance failure if warning signs are not communicated in time, or with sufficient clarity. Continued delays could erode transparency and public confidence in how taxpayers' money is spent.	Work with Ernst & Young to plan and co-ordinate the delivery or resolution of the outstanding audits in accordance with legislation. Engage with the new auditors, KPMG, for the 2023/24 audit to develop an agreed plan to deliver all requirements within the required timescale.	Strategic Director of Resources	September 2024
We must ensure appropriate governance arrangements are in place to drive implementation and provide oversight of Mission Waltham Forest	Undertake service planning process to establish how all council services will support and monitor their delivery of Mission Waltham Forest. Establish new engagement approaches	Corporate Director of Strategy & Change	September 2024

Governance issue	Action	Responsible Officer	Target Date
	with elected members to secure input, steer and oversight of Mission Waltham Forest delivery, and establish approach to scrutiny reporting. Establish new engagement approaches with staff to give them a strong voice in how we deliver Mission Waltham Forest and empower them to lead this.		

Conclusion

4.2 The council has identified a number of governance issues and has proposed a set of actions to address them, as outlined inTable 2 above. It will continue to monitor and address these in the year ahead, and report progress in next year's Annual Governance Statement.

The next section details the key elements of the council's governance framework, and demonstrates how these align to the core principles of good governance set out in the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016)

Appendix A – Summary of LBWF Council's Governance Framework – CIPFA/SOLACE Principles

Core Principles of the CIPFA/SOLACE framework	Examples of the governance arrangements the council has in place
Principle A: Behaving with integrity, demonstrating strong commitmentto ethical values and respecting the rule of law	LBWF Council expects the highest standard of conduct and behaviour from all of its Members and officers. This expectation is formally set out in the Codes of Conduct for Members and Employees, which are underpinned by the Seven Principles of Public Life (the Nolan Principles). The Code of Conduct for Members complies with the most recent report by the Committee on Standards in Public Life titled "Leading in Practice: A Review by the Committee on Standards in Public Life" (January 2023). The Code also complies with the Local Government Association's Model Councillor Code of Conduct. The Audit and Governance (Determination Hearing) Sub-Committee is responsible for hearing complaints about a breach of the Code of Conduct for Members following investigation by the Monitoring Officer and Independent Person. There have been no determination hearings in the year 2023/24 The council's 'Arrangements for Dealing with Complaints under the Members' Code of Conduct' was reviewed and approved by the Council in October 2022. The Director of Governance and Law is the Monitoring Officer. The Monitoring Officer advises Members on the scope of powers to take decisions, maladministration, financial impropriety, and budget and policy framework issues, and can report to Full Council (or to the Executive) if they consider any proposal or decision has or would give rise to unlawfulness. Compliance with policies and legislation is managed through a range of corporate written rules and procedures whichdefine how decisions are taken and the processes and controls required to manage risk and act in the public interest.These include: • The Constitution • Financial Regulations

	• Procurement, Financial, Property and Employment Procedure Rules • Code of Conduct for Members • Code of Conduct for Employees • Anti-Fraud and Corruption Policy • Whistleblowing Policy • Corporate Complaints Policy The council has an established whistleblowing policy in accordance with the requirements of the 1998 Public Interest Disclosure Act. Whistleblowing arrangements are a key element of the council's overall governance arrangements. It isthe mechanism to empower the honest majority in the fight against fraud and corruption. The council's Whistleblowing Officer is the Corporate Director of Governance and Law. Several other policies are also in place and available to officers via the council's Intranet pages, including HR policies (including discipline procedures), information governance policies and service-specific policies. All key policies and guidance for officers, including the Code of Conduct for Employees, are highlighted to new starters as part of the corporate induction process, and compliance is monitored through the council's performance management processes.

Principle B: Ensuring openness and comprehensiv estakeholder engagement	**Ensuring Openness** The council is committed to transparency and believes residents have a right to see what is going on and to hold the council to account. Council meetings are open to the public; the only exception is for agenda items that are exempt or confidential within the terms of the Constitution. The time, date and location of public meetings are displayed on the council's website. The Forward Plan, published on the council's website, lists the key decisions the council will make over the next four months. All committee minutes and decisions are documented on the council's website in a timely manner, and the criteria, rationale and considerations used in any decisions are clear. The financial, legal, and environmental implications of all key decisions must be considered and publicly reported on the council's website, as isan equality impact assessment for each key decision.
	Stakeholder and Community Engagement The council regularly engages and consults with residents and the wider community on a diverse range of issues. Various communication channels are used, including the council's websites, email, social media channels, public meetings and the quarterly Waltham Forest News delivered to residents. The council is committed to engaging extensively with residents and community groups in relation to service delivery, using their insight to shape its communications materials and approach so that the council can make sure important messages reach the right people through channels they trust. Examples of our approaches to engagement include: • **Ongoing work to hear the views of all our communities and gain insights that shape council practice** – including through cross-cutting engagement such as our Let's Talk platform and Resident Insight Survey as well as targeted approaches such as our Young Advisers programme. • **Innovative methods of community participation and co-design** – the Council continues to adopt innovative models of community engagement to give residents a strong voice on the issues that matter to

	them most – including our Let's Talk programme and our Citizens' Assembly on the Future of Neighbourhood Policing. • **Service-specific opportunities for residents to shape and improve how services are delivered** – including through our Social Care Voice and Influence team and our Housing Engagement & Insight team (driven by our new Resident Involvement Strategy). • **Networks with community partners**, in particular for voluntary sector organisations and faith communities working to promote equalities outcomes for communities with protected characteristics. These include: o **Community Resilience Alliance** – this board meets quarterly and is chaired by Cllr Williams. It aims to identify opportunities for collaboration with our communities, explore priority areas, and organise coordinated responses where required. It is made up of elected Councillors, senior Council officers and a range of key local partners including VCS organisations. o **Community Participation Network** - This is an informal network which takes place every two months and is open to any representative of a community-focused organisation in Waltham Forest. It focuses on support to the VCS, such training and funding, and includes updates from the council as well as a networking section.
Principle C: Defining outcomesin terms of sustainable, economic, social and environmental benefits	**Defining Outcomes** The central aim of the council's administration is to create a more equal future in Waltham Forest. The council's priorities to achieve its vision of a more equal borough are set out in Mission Waltham Forest which sets out the strategic framework that will drive the council's work with its partners over the coming years. The scale and cross-cutting nature of the missions set out in Mission Waltham Forest requires a break from our business-as-usual. We know we need to work differently to produce different outcomes and as we face rising pressure on our services. We know that our missions must have measurable outcomes that show us what success looks like and enable us to monitor our progress. Better use of data, insight and evaluation will enable us to understand our impact. Following the publication of Mission Waltham Forest, the work to determine the processes and outcomes to

	deliver on our missions is in train. Initial focus for this work includes: • Developing service plans setting out how all services will contribute to the delivery of Mission Waltham Forest and setting out the outcomes that they will deliver on • Establishing a new corporate performance framework aligned to Mission Waltham Forest and provide not only a set of key outcomes to monitor our progress towards but also to initiate a culture change where data and insight are leveraged to improve outcomes • Developing new approaches to work with residents, staff and elected members that shape our approach to delivering on Mission Waltham Forest and shape our outcomes. Through our reporting templates and requirements, we require report authors to articulate the implications of proposed decisions. This is enabled through tools to understand and assess the impacts of changes or decisions, including Equality Impact Assessments and Health Impact Assessments.
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	**Determining Interventions** Decision makers receive objective and rigorous analysis of a variety of options when making decisions, indicating howintended outcomes would be achieved and the associated risks, for instance in the challenge and review process that underpins the setting of the annual budget and savings plans. All key decisions include details of the financial, legal, environmental and equality implications, to allow Members andofficers to make informed decisions. **Planning Interventions** The council's strategic priorities are fully aligned to the annual budget and medium-term financial strategy. The councilhas considered long term pressures on funding streams, such as council tax, business rates and the government funding settlement. The council works in partnership with a wide range of organisations from the statutory sector, third sector and businesssector to deliver services for local people and drive forward improvements in LBWF. Partnership working

	includes different types of relationships – from contractual arrangements between the council and other organisations to deliver services or projects through to strategic forums (some of which are required by statute, others voluntary) which bring partners together around the table to agree how best to tackle key challenges and shared priorities. Some have fundingto allocate and targets to meet, others provide a steer to inform individual partners' priorities and commissioning. Governance arrangements vary depending on the nature of partnership working but are designed to ensure that the partnership remains appropriate, effective, and fit for purpose. In addition, the council's Financial Regulations provideguidance on best practice in managing partnership arrangements. Where the relationship is a contractual one i.e., funding to deliver an agreed service, the contract or service level agreement will set out requirements around use of funding, what is to be delivered, targets, measurable outputs andhow the contract is to be monitored, reviewed and evaluated. Contracts and budgets are managed by the relevant department with the Strategic Director having overall responsibility. Where the partnership involves sharing data then either a contract or an Information Sharing Agreement will be in place. The Health and Wellbeing Board, which includes membership from the council provides the mechanism for leadership of the local health and wellbeing system, maintaining an overview of account for improvement in health and wellbeing outcomes, and ensuring effective coordination and integration of commissioning plans to secure best use of resources and population health outcomes. In 2023, in light of the new commissioning arrangements in the NHS underearth the ICS (Integration Commissioning System), the Health and Wellbeing Board has been brought together with the Health and Care Partnership Board (the Waltham Forest-level sub board of North East London). This strengthens its alignment with the local and regional commissioning arrangements, and allows it to drive on shared health priorities, including addressing health inequalities and supporting the Promoting Wellbeing workstream. ;

	Optimising the Achievement of Intended Outcomes The council has in place a robust Performance Management Framework to ensure effective delivery of services andpriorities. Elements are: • Corporate Performance Indicators – performance measures covering the impact of key services and priorities; • Internal monitoring and challenge around performance and delivery through Departmental Management Teamsand SLT; • Public reporting and scrutiny through reports to scrutiny committees, including more in-depth scrutiny of specific topics; and • Overall monitoring of corporate performance through the Policy and Performance Scrutiny Committee. Performance reports are submitted to the scrutiny committees on a quarterly basis. The reports are published in the papers for the relevant meetings on the council's website. IB to comment **Capital Programme** In February 2024, Cabinet endorsed its annually refreshed Capital Investment Strategy. The strategy is a requirement of CIPFA to ensure that all council's have an affordable capital programme, which is aligned to and delivers its corporate priorities alongside meeting a number of CIPFA's prudential indicators. The strategy endorsed by Cabinet meets all of CIPFA's requirements for capital investment and demonstrates how is 10 year £745.9 million investment programme delivers the councils strategic objectives.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	The council is committed to the ongoing professional development of Members and officers, to ensure everyone hasthe knowledge and skills they need to carry out their role effectively. After the local elections in May 2022, a significant induction program for new Members was delivered. An ongoingprogramme of training and development is being provided to Members on both a group and individual basis, with several dates scheduled for planned training each year. This program of learning and development is overseen by the Leadership Office and development opportunities are available in a variety of ways including, briefings, site visits, e-learning and conferences. Throughout 2024/25 the development programme will further align with the *LGA leadership competencies*, and Mission Waltham Forest, introducing a Member Development Framework which will: • Maintain an online Councillor Hub, which operates as a one stop shop for information for Members. • Identify the responsibility of Members in relation to Mission Waltham Forest. • Establish a member-led Member Development Steering Group. • Implement *Personal Development Plans* for all Members. • Create a Learning and Development Programme that runs a full administration cycle. • Put accessibility and equalities at the heart of session design and delivery. • Outline future induction requirements. • Annually survey Members on key areas of development. Members will also have learning and development opportunities around the specific roles they hold, for example portfolio and scrutiny positions. Sessions include, but are not limited to; Code of Conduct, Safeguarding, Data Protection Personal Safety, Equality, Diversity & Inclusion, Public Speaking, Chairing Skills, Community Engagement, Local Government Finances. There is significant work planned in 2024 to develop the capability and the leadership of officers throughout the organisation. One of the key Transformation Strands of work in the Council will be focused on Workforce &

	Culture. This work intends to shift the organisation from short term discrete approaches to a long-term focus designed to shape the agile and thriving workforce we need for the future. To ensure that the approaches will be embedded into the organisation the core strategy will be co-designed and tested with the Extended Leadership Team, Staff Networks and through the regular engagement with the workforce. The work, currently under development, aims to: • **Drive culture change to deliver our transformation ambitions** – equipping and empowering all staff with the skills and a strong voice to deliver on transformation, with clarity on their role in delivery. • **Shape a more inclusive workforce that is representative of our communities** challenging the status quo especially at senior levels– delivering on our inclusion action plan and closing pay gaps. • **Create inspirational leadership that focuses on collaboration, enabling delivery of Mission Waltham Forest** –modelling behaviours for staff, using leadership development for change, whilst embracing moder & agile approaches. • **Become an employer of choice** – creating meaningful jobs and career paths for all staff, including underrepresented groups, empowering staff through development opportunities, creating skills for the future & retaining talent. • **Achieve recruitment transformation –** beyond addressing the overall recruitment journey from advert to probation, we will solve the recruitment issues in target areas to significantly reduce reliance on agency staff. • **Enable wider workforce transformation** – building workforce and culture ambitions across MTFS and transformation into our OD offer. • **Build a new HR & OD function –** an opportunity to set a clear vision to enable the fulfilment of all the priority transformation areas within Mission Waltham Forest as we understand transformation is not possible within the organisation without a well-resourced HR & OD function. Work on inclusion continues to grow. The launch of the Inclusion Action Plan in 2023 set a clear mandate for the organisation to ensure that this was at the heart of the leadership of the Council. A range of activities have been undertaken to improve awareness, improve training opportunities and ensuring that our leaders are held accountable as part of the appraisal process. In addition to this work continues to roll out the first pilot of

	Inclusive Mentoring which aims to generate learning through shared experience, enabling staff to feel valued for the different perspectives they bring to the workplace. New employees attend the council's corporate induction programme, in addition to which directorate and role specific training is provided where needed. The council introduced a new learning management system (MyLearning) which is now the central place for e-learning and course bookings. Information on staff training, development programmes and courses available are regularly publicised on the council's intranet website, and e staff news. There is compulsory training for staff on key issues such as equality, data protection and cyber security. The council continues to add to the existing wellbeing support available to staff. An action plan for Wellbeing is underdeveloped outlining how the organisation will respond to, as well as anticipate our workforce needs, based on their feedback and understanding our data. The work undertaken includes providing support and resources on a range of topics including mental health and work/life balance. The council has several Mental Health Ambassadors who are available to listen and offer support to all staff in a confidential capacity.

Principle F: Managing risks and performance through robust internal control and strong public financial management	**Managing Risk** The Council's Risk Service is responsible for implementing the risk management framework. The Risk Management Strategy and Policy is reviewed and endorsed by the Senior Leadership Team and Audit and Governance Committee. The Council's Strategic Risk Register is reviewed on a quarterly basis. The Corporate Risk Management Group meet quarterly and facilitate effective risk reporting of operational and strategic risks via the Council's risk management portal JCAD Core. The Council continues to make efforts to improve the organisation's risk maturity by embedding risk management into all decision making and to align the risk appetite with the Council's Misson. **Robust internal control** The council's Internal Audit annual plan sets out a programme of work designed to provide assurance that the council complies with relevant laws, regulations, internal policies and procedures and has taken action to mitigate the risks identified in the council's Principal Risks Report. The plan is drafted from a number of sources including the council's Principal Risks Report, an Internal Audit risk assessment, audit plans of other local authorities, intelligence from previous audits/fraud investigations, and CIPFA good governance guidelines. The 2023/24 Internal Audit plan was approved by the Audit and Governance Committee i on 25 April 2023. The Audit and Governance Committee receives regular Internal Audit reports on progress andoutcomes against the plan. The Audit and Governance Committee reviews and approves the annual Statement of Accounts, monitors the effectiveness of the council's corporate governance activities and promotes high standards of member conduct. The council's Anti-Fraud Strategy promotes a zero-tolerance approach to fraud and incorporates the council's fraud response plan. The council's whistleblowing policy provides a mechanism for suspected fraud to be reported confidentially. The programme of proactive and reactive anti-fraud work for 2023/24 was approved by the Audit and Governance Committee on 1 February 2023. During 2023/24 the anti-fraud team have identified savings of around £28million. This includes the recovery of 47 council properties, and a further 12 cases are pending evictions. 11 RTB applications have been withdrawn directly due to fraud investigation, identifying £1,406,900 in discount savings. 33 investigations into Single Person Discount

	fraud have resulted in additional billing of £22,252. The council continued to participate in the National Fraud Initiative in 2023/24 and participated in the London Fraud Hub run by the Cabinet Office. In addition, the council are members of CIFAS, who are a not-for-profit membership organisation who manage the largest database of instances of fraudulent conduct in the Country. Members share data across sectors to reduce fraud and financial crime. The Audit and Governance Committee reviews and approves the annual Statement of Accounts, monitors the effectiveness of the council's corporate governance activities and promotes high standards of member conduct. The council's Anti-Fraud Strategy promotes a zero-tolerance approach to fraud and incorporates the council's fraud response plan. The council's whistleblowing policy provides a mechanism for suspected fraud to be reported confidentially. The council continued to participate in the National Fraud Initiative in 2023/24. **Managing Data** Through its Information Governance Strategy, the council promotes a culture of good practice around the collection, storage, use and sharing of data, and compliance with legislation. Its application will continue to be tracked in the coming year. The council has an Information Asset Register and a Record of Processing Activity in place to ensure thatit manages its information and identifies and mitigates any risks efficiently. A comprehensive Data and Information Management policy suite is in place to ensure staff are aware of their obligations to keep personal data secure. All staff are trained in their data protection and information governance responsibilities through mandatory e-Learning courses. This training also includes cyber security awareness training. **Managing Performance** The council has a suite of corporate performance indicators to help monitor delivery of the priorities in the

	Corporate Plan through the council's services. Performance is reported quarterly to SLT and Scrutiny, which includes a narrative update highlighting key successes, challenges and priorities going forward. Performance measurement and reporting is used to identify areas of improvement to our services for residents. We want to make a commitment to all our residents to tackle the fundamental challenges facing them and drive the change within the Council that is needed to achieve this. In an uncertain environment, with complex challenges, the Council needs to increase early understanding of opportunities to leverage them, and of problems to turn them around. A new Corporate Performance Framework will support this. From early 2024, this framework will sit in a dashboard that will be designed in a way that it can be used and understood by Portfolio Holders and all teams across the Council, kickstarting a wider culture change where data insights are leveraged to improve outcomes. There are five scrutiny committees within the council, which provide constructive challenge and debate on policies andobjectives and hold the work of the Executive and the council to account. They can undertake more in-depth research into particular areas of policy, and request evidence from other service providers and external organisations. The North Central London Joint Health Overview and Scrutiny Committee is formed of the Chairs and in some cases the Vice Chairs of the Health Scrutiny Committees of Barnet, Camden, Enfield, Haringey, and Islington Councils. Its role is to scrutinise strategic sector-wide issues through regular engagement with NHS North Central London. The JointCommittee works independently of both the Executive and health scrutiny committees of its parent authorities. Accountability and effectiveness of other service providers is addressed through relevant partnership arrangements, including the Health and Wellbeing Board. IB to list others and check narrative. **Financial Management** The council has a robust financial management framework in place to support both long-term achievement of outcomesand short-term financial and operational performance. The council sets and monitors an annual budget alongside a three-year MTFS. The MTFS seeks to identify required budget changes almost three years before any

	given budget report is agreed. As part of the budget process, SLT considers the most recently available budget monitoring information, potential service growth items and savings as well as the latest budget assumptions for the forthcoming financial year. Proposed savings are signed off as deliverable by key stakeholders across the organisation. The thoroughness of the overall budget setting process and emerging risks are considered by the Section 151 officer in their assessment of the overall robustness of the council's budget estimates. These are included within the Section 25 report which is presented as part of the Budget Report. The MTFS Refresh and Budget report are also presented to Budget and Performance Scrutiny in advance of Cabinet. In February 2024 the council approved a balanced budget for 2024/25, which included £5.9m of revenue budget savings and an increase in Council Tax by the maximum of 2.99% plus the Adult Social Care precept of 2%. The Narrative Report accompanying the Statement of Accounts explains how financial performance against budget, reported to the Executive throughout the year, is consistent with the financial performance reported in the Statement ofAccounts. CIPFA's Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the FM Code authorities can demonstrate their financial resilience in meeting foreseen demands and unexpected financial shocks. Following the essential aspects of the FM Code shows they are meeting important legislative requirements. The Council undertook a self-assessmentagainst the FM Code as part of its 2022/23 and 2023/24 budget setting process. The compliance analysis is re-visited at least annually as part of the budget setting process, with any actions or recommendations implemented on an ongoing basis.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	Clear, honest, and open communication with staff and customers is one of the most essential ingredients in providingeffective public service. The council's intranet includes details of best practice and training to help staff communicate effectively in an accessible way with colleagues and service users. Information published on the council's website, including in its Publication Scheme includes information on how moneyis spent, Members' allowances, how decisions are made and senior officer remuneration. We are looking at ensuring certain delegated decisions are also published. This is noted in section 4 of the AGS. Cabinet and Full Council meetings are live streamed so that residents can see decisions being made the decision and better understand the influence the Council has on their lives. The following information is reported annually to Members and is available on the council's website: • Statement of Accounts and Narrative Report • Internal Audit Annual Plan • Internal Audit Annual Report • Annual External Audit Report • Annual Governance Statement The Statement of Accounts and accompanying performance information in the Narrative Report is prepared in line with CIPFA's Code of Practice requirements, allowing easy comparison with other local authorities. Recommendations madeby external audit are acted upon, and this is reported to Members in external audit's subsequent reports. The council has a formal two-stage process for managing complaints. The process is set out on the council's website and copies are available from the Corporate Customer Service Team. The council's aim is to ensure that when things go wrong, it responds quickly to put things right. It tries to learn from and improve its performance in response to customer feedback. Departmental Complaints Officers record and report on all complaints, and the service response

	is monitored. Customers and residents who are dissatisfied with how the council has dealt with a complaint can contact the Local Government and Social Care Ombudsman or the Housing Ombudsman; independent, impartial, and free services. The Ombudsman has powers to independently investigate complaints about how the council has acted.