London Borough of Islington Annual Governance Statement 2021/22

1. Scope of responsibility

1.1 Islington 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 economically, efficiently and effectively. Additionally, the Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 Corporate Governance is the term used to describe the system by which Local Authorities direct and control their functions and relate to their communities. The Council has approved and adopted a Code of Corporate Governance which is consistent with the seven principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework* (2016). A copy of the Code is on the Council's website, included in the Council's Constitution.

1.4 This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is "an open and honest self-assessment" of the Council's performance across all its activities and:

- describes the key elements of the Council's governance arrangements, covering all corporate systems and the range of activities for which the Council is responsible;

- describes processes applied in reviewing their effectiveness, and

- lists actions proposed to deal with significant governance issues identified.

2. The purpose of the governance framework

2.1 The governance framework comprises the systems, policies, processes, culture and values by which Islington Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement

of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2.3 The governance framework described in this document has been in place at Islington Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

3. The governance framework

This section describes the key elements of Islington Council's governance arrangements.

3.1. Developing codes of conduct which define standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest and ensuring that these codes and policies are communicated effectively

3.1.1. The Council expects the highest standard of conduct and behaviour from all its Members and officers. Responsibility for promoting, developing and maintaining these high standards lies with the Audit Committee, supported by the Standards Committee. The Standards Committee is responsible for considering complaints regarding alleged breaches of the Members' Code of Conduct. The Audit Committee receives an annual report on Member conduct (most recently at the October 2021 meeting). In accordance with the Localism Act 2011, the Council has appointed Independent Persons who have statutory functions in relation to the process for dealing with complaints of breach of the Code of Conduct.

3.1.2. A new Code of Conduct for Members was adopted at Annual Council on 20 May 2021. It is based on the new Local Government Association (LGA) Model Code and the Council's previous version of the Code.

3.1.3. Part 6 of the Constitution contains the revised Members Code of Conduct, which sets out the rules for registering and declaring interests. It also includes protocols on Member/Officer Relations, Financial Regulations and Procurement Rules, and the Members Call for Action.

3.1.4. Part 7 of the Constitution contains the Members' Allowance Scheme, which includes details on Members' eligible expenses. The scheme is reviewed annually taking into account advice and recommendations of the London Council's Independent Remuneration Panel.

3.1.5. An Employee Code of Conduct is publicised to staff.

3.1.6.   The Council has an established whistle blowing 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 is the mechanism to empower the honest majority in the fight against fraud and corruption and is an integral part of the Council's Anti-Fraud Strategy. The Council's Whistleblowing Officer is the Head of Internal Audit, Investigations and Risk Management.

3.1.7.   Whistleblowing allows employees, contractors and others to raise concerns surrounding potential fraud and corruption. The whistleblowing policy was reviewed and updated in May 2020 and January 2021 in line with good practice and approved by the Audit Committee. The whistleblowing policy is located on the Council's intranet. The Audit Committee receives a report concerning whistleblowing bi-annually.   A further update is expected in early 2022/23.

3.1.8.   The Council has a formal two-stage process for managing complaints. Our aim is to ensure that when things go wrong, the Council responds quickly to put things right. The process is set out on the Council's website and copies are available from the Corporate Customer Service Team.

3.1.9.   The Council's Corporate Customer Service Team is responsible for the overall management of complaints. Its aim is to ensure the Council learns and improves its performance as a result of customer feedback. Departmental Complaints Officers record and report on all complaints, and the service response is monitored.

3.1.10. 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.

3.2.   Ensuring compliance with relevant laws, regulations, internal policies and procedures, and that expenditure is lawful

3.2.1.   The Council's Personnel Sub-Committee is responsible for the appointment (save on an interim basis) of Corporate Directors, Service Directors, statutory chief officers and for making a recommendation to Council on the appointment of the Chief Executive. The committee is comprised of both members of the Executive and back-bench members of the Council and appointments are made in accordance with the Recruitment Protocol. The members of the Personnel Sub-Committee participate in some of the preliminary decisions prior to the formal meetings of the committee, such as longlisting, and have an important role in helping to shape the recruitment process.

3.2.2.   In accordance with the Officer Employment Rules in Part 4 of the Council's Constitution, the appointment and dismissal of non-chief officers will be discharged by the Chief Executive or the Corporate Director of the department in which that officer is employed. The Chief Executive and Corporate Directors may delegate this function to Service Directors, Heads of Service and Service Managers in their department.

3.2.3. Chief Officers are responsible for ensuring that their staff operate in accordance with employment policies and the Code of Conduct for Employees, which promotes high standards of behaviour. As well as providing legal support on specific projects and issues, the Council's Legal Service provides proactive updates, training and advice to Members, Chief Officers, managers and staff on new legislation and case law developments and changes to existing legislation and regulations. All decision-making reports to the Council, its Committees and the Executive include appropriate legal implications. Legal Services also provide legal implications for decision reports to Chief Officers and to meetings of the Corporate Management Board. The Director of Law and Governance attends or is represented at all Council, Executive, Audit Committee, Planning Committee and Licensing Committee meetings and other meetings when requested.

3.2.4. The Internal Audit service produces an annual plan, which aligns with principal risks facing the Council and sets out a programme of work designed to provide assurance to the Section 151 Officer, management and Members that the Council complies with relevant laws, regulations, internal policies and procedures and has taken action to mitigate principal risks. Internal Audit reports progress and outcomes of delivery of the audit plan to Audit Committee bi-annually. Internal Audit updates and risks are also included as a standing item at each Audit Committee meeting.

3.2.5. The Audit Committee noted the annual Principal Risk Report in May 2021 and received further updates on risk management matters in July 2021 and January 2022. These reports reflect the Council's changed risk profile in light of the pandemic and other changes in its risk environment, along with actions that were being taken to mitigate principal risks. External audit reports are also available to the Audit Committee.

3.3. Documenting a commitment to openness and acting in the public interest

3.3.1. The Council's Constitution, through the Local Code of Corporate Governance sets out the Council's commitment to:

- focus on the purpose of the authority and on outcomes for the community;

- work effectively with officers to achieve a common purpose, whilst understanding the clearly defined different functions and roles;

- promote the values of the authority and demonstrate the values of good governance by upholding high standards of conduct and behaviour;

- take informed and transparent decisions which are subject to effective scrutiny;

- develop their own capacity and capability; and

- engage with local people and other stakeholders.

3.3.2. The Council sets out its commitment to Freedom of Information and Environmental Information Regulations in its Access to Information Policy and its commitment to complying with Individual Rights, as set out in the UK General Data Protection Regulation, in the Individuals Rights Policy. The Council did not achieve the 90% compliance rate when responding to requests in 2021-22 with compliance for Freedom of Information (FOI) requests at 82% and Individual Rights Requests at 65%. FOI compliance was impacted by

a number of restructures, absence of key personnel and an increase in requests. Individual Rights Requests have seen a significant increase in complex requests for historic social care which often involve a significant number of paper files. The Council is committed to improving its response rates to requests, ensuring that it is at least 90% compliant and introduced a number of measures to improve response rates which include an increase in reporting and senior management oversight, creation of an Open Data Strategy to increase proactive publication.

3.3.3. 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 on their Data Protection and Information Governance responsibilities via mandatory eLearning courses. This training also includes cyber security awareness training.

3.3.4. The Council continues to support the delivery of the Information Governance Strategy that sets out its commitment to ensuring the Council's continued compliance to legislation and this will continue to be tracked in the coming year.

3.3.5. The Council has an Information Asset Register and a Record of Processing Activity in place to ensure that it manages its information and identifies and mitigates any risks efficiently.

3.3.6. The Information Commissioner's Office (ICO) carry out compulsory audits or ask organisations to participate in a 'consensual' audit. The Council participated in a consensual audit by the ICO in 2015. The Council is required by law to refer data breaches to the ICO where they meet the threshold for reporting. The Council reported five incidents in 2021/22, all were closed with no further action as the ICO was satisfied with the mitigating actions taken by the Council.

3.3.7. Individuals are entitled to escalate complaints to the ICO. These arise either from a Freedom of Information (FOI) or Data Protection (DP) concern (late/incomplete subject access request, alleged data breach of data protection legislation etc). 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 DP legislation (e.g. breach of data or another breach of legislation such as failing to respond to a subject access request in one month). The Council has not had any decision notices or practice recommendations issued in 2021/22 from the ICO.

3.3.8. 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 as a second respondent to any FTT complaints in 2021/22.

3.4. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

3.4.1. 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 magazine delivered to residents. Throughout the pandemic the Council has engaged extensively with

community groups, 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 engagement include targeted communications once vaccinations had started such as 'Near Neighbours', as well as the launch of the 'We are Islington' helpline earlier in the pandemic. Surveys of residents are undertaken to test perceptions of the Council, its services, and the priorities for residents. The findings are used to shape policy and communications. The 2021 Annual Resident Survey of 1,000 residents was conducted last year and provides insight into resident perception and satisfaction which is used to inform service planning.

3.4.2.   It is recognised that social and economic inequalities exist for both residents and staff, and have been exacerbated by the pandemic, austerity and the cost of living crisis. In 2021/22, the Council has continued to work to tackle the risks of social and economic inequalities across the borough, and the Principal Risk Report documents mitigating actions. The Council has established a wide range of methods for engaging the community enabling community groups and voluntary sector organisations to inform, co-develop and co-deliver the Council's aspirations for a more equal Islington. Over the last year the Council has carried out its biggest ever engagement programme called 'Let's Talk Islington' which aims to better understand how inequality impacts the daily lives of our community and how we can work together to tackle some of these challenges. This work has been enhanced with a particular focus on equality through the Council's Challenging Inequalities programme which sets out our approach to tackling inequality, racism and discrimination in our capacity as an employer, strategic leader, and service provider/ commissioner

3.4.3.   The Council facilitates a number of networks with community partners, in particular for voluntary sector organisations and faith communities working to promote equalities outcomes for communities with protected characteristics, these funded organisations can be viewed here. This is supplemented by an annual programme of community and equality events delivered in partnership with the borough's voluntary and community sector as well as some delivered directly by the Council. The Council has also committed to Black History 365, a year-round programme of events to celebrate Black history as well as provide opportunities for learning.

3.4.4.   In response to the pandemic, the Council worked in partnership with voluntary organisations and community groups through its 'We Are Islington' response, enabling residents to access practical support around money, food, utility top ups and social isolation. Through this work the Council established clear communication lines with VCS groups and the wider community to enable a two-way exchange of information around infection rates, testing, vaccinations and key issues affecting the community, with a particular focus on sections of the community most at risk (age, ethnicity, disability status).

3.4.5.   Through its VCS Partnership Grants Programme, the Council has made commitments of £2.7 million per annum until March 2024. Alongside this, the Council runs small grants programmes, including the Islington Council Community Chest fund and Local Initiatives Fund which enable communities to mobilise and respond to community need. Enabling and working with a strong, vibrant and independent voluntary and community sector, allows for clear communication channels with all sections of the community and intelligence that informs the Council's policy responses. All organisations that receive awards are required

to comply with the Council's minimum standards for VCS organisations and are subject to proportionate grant monitoring that aligns with the Council's audit approach.

3.4.6. Council meetings are open to the public; the only exception is for agenda items that are confidential. The time, date and location of public meetings are displayed on Islington Council's website.

3.4.7. During the Covid-19 crisis, the Council used the powers in the 'Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020' to hold remote committee meetings.

3.4.8. Ward partnership meetings provide a means for councillors to engage with residents and organisations in their ward to discuss local issues. Those meetings are open to the public.

3.5. Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning and translating the vision into courses of action for the authority, its partnerships and collaborations

3.5.1. The central aim of the Council's Administration is to create a more equal future in Islington. The Council's priorities to achieve its vision of a more equal borough are set out in the [Strategic Plan 2021, Islington Together For a more equal future](#), which sets out the strategic framework that will drive the Council's work with its partners over the coming years. As well as outlining priorities, it also describes the Council's principles, programmes and behaviours that will enable the organisation to deliver on the priorities. The Council has carried out its biggest ever engagement programme called 'Let's Talk Islington' to really understand the experiences of inequality for its residents, what their hopes and aspirations are for the future, and how we can work together to tackle some of the challenges. The findings from Let's Talk Islington will inform the Council's vision and priorities and will ensure that the community voice is firmly at the heart of Council activity.

3.5.2. The Council's five key priorities are:
- Children & Young people – Children and young people have the best start
- Jobs & money – Local jobs and businesses in a thriving local economy
- Homes – Everyone has a place to call home
- Environment – Cleaner, greener, healthier borough
- Safety – Communities feel safe, connected and inclusive

3.5.3. The Council's principles are:
- We stand up to and challenge inequality
- We work in partnership
- We are committed to early intervention
- We embrace change
- We are driven by delivering impact

3.5.4. The Council's strategic programmes are:

- Challenging Inequality
- Fairer Together
- Community Wealth Building
- Homes and Neighbourhoods
- Cleaner, greener, healthier Islington
- Team Islington

3.5.5. The Council's behaviours are:
Be…

- Collaborative
- Ambitious
- Resourceful
- Empowering

3.5.6. These behaviours provide a frame of reference for decision making and underpin the Council's approach to professional development. These priorities, principles, programmes and behaviours and the intended outcomes have been communicated to staff, residents and service users in newsletters, on the Council's website (www.islington.gov.uk) and through a variety of other media. The Council also uses large print and translated documents to make the information accessible. More detail about each of the elements can be found in the council's Strategic Plan 2021.

3.5.7. The Council uses feedback from surveys and complaints in its commissioning strategies and actively engages with service users and carers to co-produce plans for service development and service change.

3.6. Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality

3.6.1. Part 3 of the Council's Constitution sets out the bodies or officers that are responsible for discharging the Council's executive and non-executive functions. The terms of reference of these bodies are set out in Part 5 of the Constitution. These include specific responsibilities for ensuring the Council has effective governance arrangements in place.

3.6.2. The Council's functions may lawfully be exercised by:

- Council;
- The Executive;
- The Leader;
- Individual members of the Executive (although only in very limited circumstances in Islington);

- Individual Ward Members (although not currently in Islington as the Council has not decided to delegate any such powers);
- Committees and Sub-Committees of the Council or the Executive;
- Joint Committees;
- Officers, and
- Other persons authorised under specific legislation.

3.6.3. The Executive is made up of the Leader of the Council and eight Executive members. The Executive is responsible for the majority of the Council's most significant decisions, which are made in line with Council policy and budget. Its functions and terms of reference are set out in Parts 3 and 5 of the Constitution. Executive agendas, minutes and summaries of decisions are available on the Council website.

3.6.4. Decision-making arrangements are set out in the Constitution. The Council operates a Leader and Cabinet (Executive) model of decision-making. Although some decisions are reserved for full Council, most are made by the Executive or by Committees, Sub-Committees or officers. The limited powers delegated to individual portfolio holders are set out in the Constitution as is the process should the Leader decide to exercise any Executive functions personally. In accordance with the Local Government Act 2000, the Council has mechanisms in place to allow the effective, independent and rigorous examination of the proposals and decisions by the Executive. These mechanisms involve the overview and scrutiny process, call-in and question time. The conduct of the Council's business is governed by the Constitution.

3.6.5. The Constitution includes formal delegation of responsibility and accountability, the Council's Procurement Rules and Financial Regulations. The Monitoring Officer and Section 151 Officer have overall responsibility for ensuring that standing orders, standing financial instructions, the scheme of delegation and supporting material are up to date and clearly communicated.

3.6.6. The Executive is responsible for the implementation of policy and ensuring the effectiveness of service delivery. The scrutiny function supports effective decision making and policy development by the Executive. The Policy and Performance Scrutiny Committee and Review Committees are responsible for overseeing a targeted work programme that can help support service improvement through an in-depth investigation of poor performance and the development of an effective strategy/policy framework for the Council and its partners. This includes consideration of medium-term financial strategy. The Policy and Performance Scrutiny Committee and Review Committees are the scrutiny bodies responsible for monitoring the performance of the Council and its partners in relation to their stated policy and priorities.

3.6.7. All formal meetings are clerked by well-trained and experienced Democratic Services Officers and lawyers are present when appropriate to provide advice on law and constitutional procedure. Members are required to make sound decisions based on written reports, which are prepared in accordance with the Council's report writing guidelines and have to be cleared by relevant officers including Finance and Legal Services and by portfolio

holders. Reports must address the impact on residents, including equalities impact and environmental impact, together with financial and legal implications and risks.

3.7. Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money

3.7.1. The Council has in place a robust Performance Management Framework to ensure effective delivery of services and priorities. 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 Teams and Corporate Management Board;

- Public reporting and scrutiny through quarterly 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.

3.7.2. Performance reports are submitted to the Council's five scrutiny committees on a quarterly basis. The reports are published in the papers for the relevant meetings on the Council's website.

3.8. Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements

3.8.1. The Council's Constitution sets out how the Council operates, how decisions are made transparently, and how the Council demonstrates its accountability to residents and local businesses.

3.8.2. The Constitution also sets out the roles and responsibilities of the Executive, other member level decision making bodies and officers. A Publicity Protocol governing Members' and Committees' communication is set out in Part 6 of the Constitution; compliance with this is supported by a specialist Communications Team.

3.8.3. The Constitution is updated at least annually to reflect any internal or legislative changes. Key amendments coming into effect in 2021/22 included adoption of a new Code of Conduct for Members and updates to the Procurement Rules.

3.9. Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) and ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

3.9.1. The Corporate Director of Resources (who is also the Section 151 Officer) and the Director of Finance were responsible for leading and directing financial strategy and operations for 2021/22. These officers were responsible for:

- ensuring lawfulness and financial prudence of decision-making;

- reporting to full Council (or to the Executive if the matter to which the report relates is an Executive function) and the Council's external auditor if they consider that any proposal, decision or course of action will involve incurring unlawful expenditure; or is unlawful and is likely to cause a loss or deficiency; or if the Council is about to enter an item of account unlawfully; and

- providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to Members.

3.9.2. The Head of Internal Audit gives an annual opinion on governance, risk management and internal control, and reports quarterly to the Audit Committee.

3.9.3. The Information Governance Board meets at regular intervals to discuss and monitor compliance with corporate systems of internal control, cyber security and governance issues. The group includes the Corporate Director of Resources, the Director of Law and Governance (the Council's Monitoring Officer), the Director of Digital Services and the Head of Information Governance and Data Protection Officer. Additionally, a Good Governance Group was formed in 2021/22 to enhance the Council's overall governance oversight.

3.10. Ensuring effective arrangements are in place for the discharge of the monitoring officer function

3.10.1. The roles and responsibilities in respect of the democratic process are set out in detail in the Constitution. The Director of Law and Governance is responsible, as Monitoring Officer, for:

- Maintaining and keeping under review the Constitution (setting out in particular the bodies and post holders able to exercise the Council's functions, and the Code of Conduct for Members) and making this widely available to Councillors, officers and the public.

- Holding an up-to-date list of authorisations issued by the Directors to other officers under Part 3, paragraph 8.6 and Appendix 3 of the Constitution, authorising other officers to exercise functions delegated to them under the Constitution.

- Reporting to full Council (or to the Executive if the matter to which the report relates is an Executive function) if they consider that any proposal, decision or omission has given, may or would give rise to unlawfulness or has given rise to any maladministration which has been investigated by the Ombudsman.

- Contributing to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee and by maintaining a Register of Interests of Councillors and voting co-opted members of the Council.

- Receiving and acting on complaints that a member has breached the Islington Members' Code of Conduct.

- Advising whether decisions of the Executive are in accordance with the Policy Framework and the Budget.

- Advising Councillors on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues.

3.11. Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

3.11.1. The Chief Executive is the Head of Paid Service and works closely with elected members to deliver the following:

- Leadership: working with elected members to ensure strong and visible leadership and direction, encouraging and enabling managers to motivate and inspire their teams.

- Strategic direction: ensuring all staff understand and adhere to the strategic aims of the organisation and follow the direction set by the elected members.

- Policy advice: acting as the principal policy adviser to the elected members of the Council to lead the development of workable strategies which will deliver the administration's objectives.

- Partnerships: leading and developing strong partnerships across the local community to achieve improved outcomes and better public services for local people.

- Operational management: overseeing financial and performance management, risk management, people management and change management within the Council.

3.12. Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

3.12.1. The Council is committed to the on-going professional development of Members and officers. Upon election, all Members are provided with a corporate induction and offered access to an on-going training and development programme. Details of all training provided to Members is reported to Audit Committee annually and was last reported in October 2021.

3.12.2. The Council is committed to improving the support for elected Members and is working towards applying for Chartermark status for member development.

3.12.3. Since the local elections in May 2018, training and development has been provided to Councillors on both a group and individual basis. There is an ongoing development programme with several dates scheduled for planned training each year. This has included personal development skills-based work as well as specific knowledge. Councillors have also attended various conferences and away days as well as specific events put on by the LGA and London Councils.

3.12.4. The Council uses a Quality Conversations approach to employee performance management. This approach ensures that meaningful conversations take place between managers and employees as regularly as required to manage and improve personal and organisational performance, ensuring that the Council's employees possess the right skills

and behaviours to help achieve success. The Policy and Performance Scrutiny Committee received a report on staff performance development in March 2022, setting out how recent improvements, and those planned for 2022/23, would ensure an approach that was fit for purpose and linked to the Council's core values.

3.12.5. New employees attend the Council's corporate induction programme, in addition to which directorate and role specific training is provided where needed. Information on staff training, development programmes and courses available are regularly publicised on the Council's intranet website, IC Bulletin and News Roundup, which includes an induction training course for all new Islington staff and managers. There is compulsory training for staff on key issues such as equality, data protection and cyber security and health and safety.

3.13. Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability

3.13.1. The Council continues to make efforts to improve the risk maturity of the organisation and move towards a more risk aware culture by embedding risk management into business-as-usual practices. In 2021/22, work commenced on a revised risk management framework that will further enhance the Council's risk maturity.

3.13.2. While the risk management process is dynamic and forms an integral part of ongoing decision making, the Council's Principal Risk Report is revised annually and presented to the Audit Committee. The process is led by the Council's Risk Manager and Head of Internal Audit, in consultation with risk owners, Directorate Managements Teams (DMTs) and the Corporate Management Board (CMB). Risk Management updates are also included as applicable on the Audit Committee's agenda.

3.13.3. The work of Internal Audit, in accordance with the annual Audit Plan, continues to be directed towards the high-risk areas as identified within the Principal Risk Report.

3.14. Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)

3.14.1. The Council's Anti-Fraud Strategy incorporates 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.

3.14.2. The Head of Internal Audit has overall responsibility for anti-fraud related activity and reports outcomes of whistleblowing investigations bi-annually to the Audit Committee.

3.14.3. Where applicable, completed anti-fraud investigations in 2021/22 produced reports with recommendations to strengthen controls and further mitigate the risk of fraud.

3.14.4. The Council continued to participate in the National Fraud Initiative in 2021/22.

3.15. Ensuring an effective scrutiny function is in place

3.15.1. The Policy and Performance Scrutiny Committee and the theme-based scrutiny committees enable Councillors to scrutinise the performance of the Council and its partners and decisions made by the Executive.

3.15.2. Scrutiny Committees have responsibility for overseeing performance of the service area within their remit. There are four Scrutiny Committees, closely aligned with Council departments as follows:

- Children's Services Scrutiny Committee;
- Health and Care Scrutiny Committee (to cover Public Health and Adult Social Care);
- Environment and Regeneration Scrutiny Committee, and
- Housing Scrutiny Committee.

3.15.3. Policy and Performance Scrutiny Committee acts as the Scrutiny Committee for those areas not covered above i.e. Crime, Employment, Finance and Resources and is initially responsible for all Councillor Calls for Action.

3.15.4. Each Executive Member is required to report annually to the relevant scrutiny committee on delivery of services and priorities within their portfolio. The Executive Member is accompanied by the relevant Corporate Director. Details are set out in the performance management framework.

3.15.5. Accountability and effectiveness of other service providers is addressed through relevant partnership arrangements, including the Safer Islington Partnership, Children and Families Board and the Health and Wellbeing Board.

3.15.6. The Council's scrutiny committees can undertake more in-depth research into particular challenges or concerns, and request evidence from other service providers and external organisations.

3.16. Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities (CIPFA, 2018)

3.16.1. The Audit Committee's terms of reference are set out in Part 5 of the Constitution and are in accordance with recommendations from CIPFA. Its key responsibilities include approval of the annual Internal Audit work plan, review and approval of the annual Statement of Accounts and monitoring the effectiveness of the Council's corporate governance activities and promoting high standards of member conduct.

3.16.2. The Committee meets on at least a quarterly basis. It continues to review and report on the Council's auditing processes, with particular regard for performance, value for money, and governance issues. The Committee includes independent members.

3.16.3. The Audit Committee and its two Sub-Committees deal with a range of matters including Council accounts and audit functions, personnel and pension functions.

3.16.4. The Council is committed to the training and development of Audit Committee Members, to help ensure the Committee is able to effectively discharge its responsibilities. As part of this commitment, a new Member Development Manager post was created and appointed in late 2021.

3.16.5. The Audit Committee has independent members suitably qualified and trained to support the committee in an advisory capacity.

3.17. Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations

3.17.1. Internal Audit assesses the level the implementation of audit recommendations and reports bi-annually to CMB and the Audit Committee. The External Audit is factored into the work plan of the Resources Directorate and adequate resources are devoted to this. Information needed by the External Auditors is provided promptly and the Council remains in regular dialogue with the External Auditors throughout the year.

3.18. Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures

3.18.1. The Council works in partnership with a wide range of organisations from the statutory sector, third sector and business sector to deliver services for local people and drive forward improvements in Islington. 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 funding to allocate and targets to meet, others provide a steer to inform individual partners' priorities and commissioning.

3.18.2. 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 provide guidance on best practice in managing partnership arrangements.

3.18.3. 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 and how the contract is to be monitored, reviewed and evaluated. Contracts and budgets are managed by the relevant department with the Corporate Director having overall responsibility.

3.18.4. Where the relationship is a strategic one, for instance membership of a partnership such as the Safer Islington Partnership, the Terms of Reference will set out governance and accountability arrangements.

3.18.5. Most of the partnerships and forums the Council has a relationship with are not legal entities - partners are there on a voluntary basis and the Council is usually the formal accountable body in terms of any targets or funding that falls within the remit of the partnership.

3.18.6. Where a partnership is a mandatory requirement, e.g. the Safer Islington Partnership and Children's Trust Boards, there will be an expectation set out in legislation on named partners to attend. Even in the case of non-mandatory partnerships such as the Children and Families Board or the Islington Partnership Board, partners may agree 'mandatory' membership from key organisations.

3.18.7. Over the past decade, the Council has worked closely with its partners through the Islington Partnership Board (IPB). The IPB discusses priorities for the borough, shares information about key issues affecting individual organisations and agrees joint working arrangement for cross cutting challenges such as youth unemployment and welfare benefit reforms.

3.18.8. Where the partnership involves sharing data then either a contract or an Information Sharing Agreement will be in place.

3.18.9. The Health and Wellbeing Board, which includes membership from the Council, Islington Clinical Commissioning Group and Healthwatch Islington 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.

4. Assurance

4.1 Review of Effectiveness

4.1.1 Regulation 6 of Part 2 of The Accounts and Audit Regulations 2015 requires that relevant bodies conduct, at least once in each year, a review of the effectiveness of the system of internal control. The findings of the review must be considered by the body to ensure that it has the system of internal control required by Regulation 3.

4.1.2 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, directorate self-assessments (as per 4.2 below) and by comments made by the external auditors and other review agencies and inspectorates.

4.2 Self-assessment

4.2.1 In line with section 5 of the CIPFA/SOLACE Delivering Good Governance in Local Government 2016 (guidance notes), the Council holds a comprehensive self-assessment which details the Council's effectiveness in applying principles of good governance in practice.

4.2.2 The self-assessment, having been completed for the first time in 2016-17 by key officers across the Council; has been periodically updated since. The self-assessment indicates that

the Council has achieved a sound level of implementation of good governance principles in a number of areas, with some areas requiring improvement. Directorate level self-assessments were also completed in-year.

4.3 External Audit and Inspectorates

4.3.1 The annual external audit of the Statement of Accounts has consistently produced an unqualified opinion with little or no material or immaterial adjustments. The same also applies to the audit of grant claims and returns.

4.3.2 Adult Social Care is subject to a regular Peer Review which functions as an external audit of departmental effectiveness. This is coordinated by London ADASS and the LGA and carried out by peers from other London Authorities.

4.3.3 Adult social care reablement and residential services are subject to statutory Care Quality Commission regulation and inspection.

4.3.4 Children's Services are subject to the statutory inspection regime from Ofsted, which found the service to be outstanding in March 2020.

4.4 Internal Audit

4.4.1 The Public Sector Internal Audit Standards (PSIAS) require that the Head of Internal Audit provides an annual audit opinion and report that can be used by the organisation to inform its governance statement.

4.4.2 The Internal Audit plan is developed using a risk-based approach. Internal Audit provide assurance on the actions to mitigate key potential risks through delivery of the audit plan.

4.4.3 The audit plan is delivered by the in-house team across the Shared Internal Audit Service (with LB Camden) and a co-sourced partner. The full summary of the work that Internal Audit has undertaken during the 2021/22 financial year will be provided in the 2021/22 Internal Audit Annual Report to the Audit Committee.

4.4.4 Audit recommendations made in 2021/22 will be scheduled for follow up in 2022/23 to ensure that management action has been implemented within agreed timescales.

4.4.5 In addition to the Controls Board set up in January 2021, a Good Governance Group was set up in June 2021. The Director of Finance chairs the Controls Board and its members include Internal Audit and representatives from all directorates. The Board's role is to facilitate an ongoing dialogue between Internal Audit and Directorate Management Teams around the implementation of audit recommendations. The Corporate Director of Resources chairs the Good Governance Group and its members include Legal Services, Human Resources, Finance, Democratic Services, Internal Audit and Procurement. The key purpose of the group is to maintain an overarching oversight of the Council's overall governance arrangements and horizon scan to identify areas that may pose a risk to the Council's governance environment.

4.5 Head of Internal Audit's Annual Opinion

4.5.1 The Head of Internal Audit's annual opinion categories range from No Assurance, Limited Assurance, and Moderate Assurance to Substantial Assurance. The annual opinion given for 2018/19, 2019/20 and 2020/21 was Moderate Assurance.

4.5.2 The work undertaken during 2021/22 has enabled the Head of Internal Audit to form a reasonable conclusion on the Council's control framework, risk and governance arrangements. There are four possible assurance opinions that can be provided (No assurance, Limited assurance, Moderate assurance and Substantial assurance). For the year ended 31st March 2022, the Head of Internal Audit's opinion is that the adequacy and effectiveness of the Council's arrangements is Moderate Assurance – overall the Council's systems for control, risk and governance are generally adequate with some improvement required. Further detail on audit outputs is provided in the Internal Audit Annual Report. Follow up of audit recommendations in 2021/22 demonstrated an improved level of engagement from directorates. Several recommendations were found to be implemented or partially implemented at follow up, with a further programme of work being undertaken in Q1 2022/23 to assess the implementation of open actions. Residual risks will be closely monitored through follow-ups and Controls Board, as well as CMB monitoring, in 2022/23. The wider content of this Annual Governance Statement demonstrates the extent of the Council's governance framework and corporate oversight of risks, controls and compliance, and indicates an adequate level of assurance from the Council's governance framework.

4.5.3 The Head of Internal Audit also concluded that the Internal Audit service continues to be effective, complies with PSIAS, and provides the necessary skills and expertise to deliver a cost effective, value added, service to the Council, its partners and stakeholders. The Shared Internal Audit Service (SIAS) underwent an external quality assessment as part of the London Audit Group's independent peer review process in 2021/22. The review assessed the SIAS as Generally Conforming to the PSIAS, which is the highest available level of assessment for local authorities. The assessment concluded that the relevant structures, policies, and procedures of the SIAS, as well as the processes by which they are applied, at least comply with the PSIAS in all material respects. The review also found the SIAS to be well regarded at both authorities. The assessors identified that officers within the SIAS work collaboratively and proportionately with stakeholders to add value and identify areas where improvements can be made. The assessors confirmed that the SIAS was operating effectively, with consistent application of the IA charter, methodology and standard working papers across the SIAS. In 2021/22, the Internal Audit service also benefited from ongoing networking and benchmarking across the Cross Council Assurance Service (a consortium of London boroughs drawing on the same framework agreement for co-sourced assurance services).

5   Other areas of Governance and Assurance

5.1 Managing and Responding to the Impacts of the Covid-19 Pandemic

5.1.1 The COVID-19 pandemic continued to significantly impact the Council during 2021/22 with the Council continuing to work with partners to support residents and businesses affected by the pandemic.

5.1.2   Much of the first quarter of the year was still significantly impacted by the pandemic. Restrictions began to ease from late February onwards and almost all had ended in Great Britain by August however whilst the restrictions ended, demand for services did not revert to pre-COVID levels.   Government funding however, was restricted to quarter 1 of the financial year.

5.1.3   During summer 2021, the third wave of the pandemic sent COVID cases well above the previous peak numbers. Whilst this affected the organisation's activities, it did not result in further lockdowns due to the successful and continued roll out of the vaccination programme.   The Council responded extremely well in stepping up its vaccination programme and only started to stand down once it was clear that demand had subsided.

5.1.4   The pandemic caused wide-ranging, large scale and continuing impacts, affecting Islington citizens, partners and businesses and the Council as an organisation. Many shifts in the delivery of services made during the lockdown period continued. There were also changes in where and how people work, and resourcing and financial challenges which continue and are addressed in our financial strategy. The Council proactively revisited its Principal Risk Report throughout the pandemic, to ensure that a revised risk profile was articulated to reflect the risks associated with the pandemic.

5.1.5   The Council's emergency management structures are set up in-line with the national Emergency Management protocol including a Gold, Silver and Bronze command structure. This command structure, set up in parallel with other local, regional and national counterparts and partners, helps to facilitate a clear strategic direction for the organisation and clarified key roles and responsibilities. This enabled the quick implementation and coordination of activities to respond to the emergency.

5.1.6   The Council has made a concerted effort to help people protect themselves and their communities from the virus, as well as providing financial and other support to help individuals, businesses and voluntary and community organisations with the social and economic impacts they face.

5.2   Resources

5.2.1   The Council has a robust in-year budget monitoring process and medium-term financial planning process.

5.2.2   As part of the in-year budget monitoring process, financial performance and key risks against the approved budget are monitored and reported to CMB, the Executive and Policy and Performance Scrutiny (PPS) Committee. The outturn position for 2021/22 showed there to be a non-pandemic related underspend which offset pandemic related pressures over those contained within available government funding. Overall the Council was able to increase its financial resilience broadly in line with budgeted expectations.

5.2.3   The Council in March 2022 approved a balanced budget for 2022/23 including £6m of budget savings and an increase in Council Tax of 1.99% plus the adult social care precept of 1%.

5.2.4   Developing the budget estimates for a given financial year is an ongoing process within the medium-term financial planning cycle. The Council has adopted a three-year MTFS which seeks to identify required budget changes almost three years before any given budget report is agreed. This is a Council-wide process involving all spending departments whereby estimates are worked up, challenged and refined as further information becomes known. It considers the most recently available budget monitoring information and the latest view on budget assumptions for the forthcoming financial year. In particular, the proposed savings have been signed off as deliverable by key stakeholders across the organisation.

5.2.5   The thoroughness of the overall budget setting process is considered by the Section 151 officer in their assessment of the overall robustness of the Council's budget estimates. This is supported by the Council's continued and successful financial strategy of strengthening its financial resilience in contingency and reserves. The need for the continuation of this policy is highlighted by the hardening budget risks over the medium term and the recent instability, exposure and shortened planning horizons caused by the pandemic, energy costs and rising cost of living pressures.

5.2.6   The Section 151 Officer also takes assurance from the Value for Money (VFM) work undertaken by the External Auditor. F rom 2020/21 onwards, this work took the form of a narrative commentary on the overall arrangements in place in to secure value for money. No areas of significant concern were identified by the Auditors.

5.2.7   The 2020/21 VFM assessment by our External Auditor noted that:

•   From our review of 2020/21 arrangements, we note that sound budgeting processes are in place. Initial bottom-up input to budget and saving plans is driven by service directorate and managed by the strategic finance team, overseen by the Corporate Management Board.

•   Islington Council has a strategic policy (dating back to 2019/20) in place to increase resilience in its reserves. On 31 March 2021 the Council's General Fund and Non-schools Earmarked Reserves balances relative to revenue expenditure were stronger than most other London Boroughs, although we recognise that a large portion of these balances relate to the pandemic and other short-term pressures and so the balances will revert to lower levels over the next two years.

•   The Council will shortly be embarking on its 2022/23 Budget and Council Tax planning from a position of long-standing financial challenge in the general fund revenue account.

•   The Council's Budget and Council Tax proposals for 2021/21-2022/23 identified Central Government funding as "grossly insufficient" to meet the inflationary and demographic cost pressures it was facing and noted that in year savings of £9.6million would be required from the service directorates to balance their budgets.

- Financial pressure as long-standing and expected to remain high in 2022/23 and future years, although we are content at reasonable and prudent processes in place to prepare for that pressure.

5.2.8 During the 2021/22 financial year the Council's Policy and Performance Scrutiny Committee considered numerous reports and testimony in relation to the Council's financial position as a result of COVID-19. This additional scrutiny gave the committee opportunity to consider lots of different evidence and viewpoints to better understand the decisions that have been made whilst also gaining a wider appreciation of the environment in which the Council is operating. This additional level of scrutiny provides the Corporate Director of Resources with further assurance on the robustness of the 2022/23 budget estimates.

5.2.9 The Council now needs to comply with the CIPFA Financial Management Code. A self-assessment was undertaken as part of the 2022/23 budget assurance work. The CIPFA Financial Management Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the CIPFA Financial Management Code requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances. Each local authority should demonstrate that the requirements of the CIPFA Financial Management Code are being satisfied. Demonstrating this compliance with the CIPFA Financial Management Code is a collective responsibility of elected members, the Section 151 Officer and professional colleagues in the leadership team.

5.2.10 The initial compliance analysis shows that the Council achieves a high level of compliance against the vast majority of the CIPFA Financial Management Code statements of standard (or best) practice. Where there is only a medium level of compliance, actions are suggested that would take the Council to high level. The compliance analysis is an organic piece of work and will be re-visited at least annually as part of the budget process, with any actions or recommendations implemented on an ongoing basis.

5.2.11 The medium-term local government funding outlook continues to be highly uncertain. The 2022/23 local government finance settlement is the fourth consecutive one-year settlement. It is largely a rollover of the 2021/22 settlement with additional, one-off funding to address immediate funding issues in the sector. In addition, there are potential government funding reforms on the horizon that could have a significant impact on funding levels, although there would be transitional protections.

5.2.12 The Council's Housing Revenue Account (HRA) has a robust and fully funded 30-year business plan.

5.2.13 The Council committed to a new Corporate Asset Strategy in March 2020. The strategy established a new approach that ensures investment is directly linked to core Council ambitions around fairness and community wealth building. It is designed to deliver a strategic, long-term approach to managing and enhancing the Council's community asset

base. Alongside the formal 3-year capital programme, the approved 2022/23 budget report included latest indicative capital expenditure estimates over the next 10 years.

5.2.14   The delivery of the savings and capital programmes will rely on these programmes being well managed and monitored. A project is underway to review the governance mechanisms in place, to ensure they appropriately support the delivery of these programmes.

5.3   Children's Social Care

5.3.1   The Director of Children's Services (DCS) holds the statutory role. The DCS is supported by a structure which allows the effective discharge of statutory duties with appropriate seniority and experience held at senior management level.

5.3.2   The revised Senior Leadership Team structure (implemented in 2020/21) and organisational arrangements provide a strong accountability, scrutiny, leadership and management grip on the Council's statutory duties for children in need of help and protection, children in care and care leavers, including early help and benefitting from high educational standards locally. Cultural opportunities for children and young people and employment and training pathways are strengthened as a result of employment, skills and culture services integration into the directorate. Strengthened arrangements between children's services and adults' services are being developed at pace to ensure there is ever greater consistency and continuity for young people as they become adults.

5.3.3   Safeguarding accountability meetings are held with the leader of the Council and the Chief Executive, who hold the lead member for Children, Young People and Families and the chair of the Islington Safeguarding Children Partnership to account. These assurance checks are integral to the decision-making processes of the Council. All services delivered to Children Looked After and care leavers are scrutinised at the Corporate Parenting Board which is chaired by the In Care Council and the lead member for Children, Young People and Families. It has strong representation from the Children's Active Involvement Service, members, partners and officers.

5.3.4   The quality of work for children in need of help and protection, children looked after, and care leavers is scrutinised through Islington's Quality Assurance Framework with a particular emphasis on the implementation of the Motivational and Trauma Informed Practice Model. Professional leadership is challenged by the Chief Executive and Leader of the Council who hold the Corporate Director, the Lead Member for Children, Young People and Families and the Service Director of Safeguarding to account on a quarterly basis. Progress on themes arising from audit and performance data is reported at these meetings.

5.3.5   As part of this quality assurance, external and highly qualified professionals in the field carry out service reviews to benchmark against inspection expectations.

5.3.6   An annual self-assessment is carried out. Social worker caseloads, timeliness of interventions and outcomes for children are monitored at all levels and management oversight is good. The quality, value for money and sufficiency of placements for children is kept under review. An evaluation of Early Intervention has been undertaken, and early findings indicate good impact. Only evidence-based programmes are in use.

5.3.7 The Islington Safeguarding Children Partnership (ISCP) has an independent chair who meets periodically with the Corporate Director as part of the accountability framework. The ISCP annual report is discussed by the Health and Wellbeing Board (HWB), Children and Families Board (CFB) and the Children and Families' Scrutiny Committee. Both the HWB and CFB reflect on the learning and build ISCP recommendations into their respective strategies. There continues to be a strong focus on Child Sexual and Criminal Exploitation through the ISCP's subgroup that leads the partnership on this work. The ISCP also oversees multi-agency audits of practice, training and compliance with safeguarding requirements set out in legislation. The Children and Families' Scrutiny Committee have looked at exclusions in schools and how to achieve best practice in this area to support the health and wellbeing of all children and young people. In addition to the annual report on learning and education standards, an annual safeguarding report and quarterly performance reports are also scrutinised by the Committee.

5.3.8 The Joint Strategic Needs Assessment includes sections on vulnerable children and those in need of help and protection and is used to determine priorities for both the safeguarding board and for services for children and families.

5.3.9 Budget and change management proposals are scrutinised for impact on the quality of work with children in need of help and protection, children looked after and care leavers and this is included in Equality Impact Assessments.

5.3.10 Children's Services were judged outstanding by Ofsted in March 2020. They assessed the impact of leaders on social work practice with children and families as outstanding, the experiences and progress of children who need help and protection as outstanding, and the experiences and progress of children in care and care leavers as good.

5.4 Adult Social Care

5.4.1 The statutory DASS, (Director of Adult Social Services) is responsible for providing professional leadership for all staff involved in delivering the Council's social services functions for adults and across local networks and partnerships involved in the provision of adult social care services. The DASS is also accountable for ensuring that relevant professional and occupational standards and standards of conduct are maintained across adult social care services provided by or commissioned by Islington.

5.4.2 The DASS is responsible for market shaping and continuity: commissioning effectively and ensuring the availability and quality of services that people want in order to be in control of their lives. The DASS holds responsibility for safeguarding adults who need care and support from abuse or neglect; when doctors are considering compulsory treatment or admission to psychiatric hospital and/or when people lack capacity to decide and may be restricted of their liberty.

5.4.3 The current structures and organisational arrangements provide a strong accountability, scrutiny, leadership and management grip on Islington's statutory duties for vulnerable adults including the duty to provide information, advice and guidance.

5.4.4   Assurance checks are integral to the decision-making processes of the Council. Professional leadership is challenged by the Chief Executive and Leader of the Council who hold the Director of Adult Social Services, the Lead Member for Health and Social Care and the independent Chair of the Safeguarding Adults Partnership Board to account on a quarterly basis. Progress on themes arising from audit and performance data is reported at these meetings.

5.4.5   The Council has a Safeguarding Adults Partnership Board that meets the current requirements for its scope and inclusiveness, chaired by an independent expert in the field who meets with the DASS.

5.4.6   The Safeguarding Adults Board oversees Safeguarding Adults Reviews and the implementation of recommendations arising from these reviews across the partnership.

5.4.7   The quality of social care practice in Adult Social Care is scrutinised through the quality assurance framework. Themes arising from this are reviewed by senior leaders and used to inform training programmes. Islington is a member of the North London Social Work Teaching Partnership, a consortium working to raise standards of social work education and continuing professional development and staff access continuing opportunities. CQC have continued to rate Islington's In-House Provider regulated services as "Good" and services have complied with CQC standards and regulations.

5.4.8   Approved Mental Health Act Professionals are warranted and supervised in line with statutory requirements.

5.4.9   The Council has partnership agreements (known as section 75 agreements) with the Camden and Islington Mental Health Foundation Trust, Whittington Health and North Central London NHS Clinical Commissioning Group, for the provision and commissioning of health and social care services. The purpose is to ensure cost effective, outcome focused, joined up services for vulnerable people. There are regular meetings between the Chairs and Chief Executives of these organisations and the Council Leader and Chief Executive, and an annual report to the respective Boards and the Council's Executive to ensure that the day-to-day arrangements for collaborative working are meeting the aims of the partnerships and the objectives of the Council.

5.4.10 These arrangements have been strengthened in the light of the Better Care Fund and greater inter-dependency of health and social care funding. The partnership agreements and governance have been reviewed and refreshed.   These arrangements have been formally agreed by the Health and Wellbeing Board in line with national guidance.

5.5   Housing

5.5.1   Housing is responsible for managing council residential tenanted and leasehold properties in the borough, either directly, or through Partners for Improvement in Islington as part of the remaining PFI street property PFI contract, PFI1.

5.5.2   A Homes and Estates Safety Board, with an independent chair, oversees the particular fire and property-related risks to people in these dwellings. This is part of the overall corporate health and safety arrangements.

5.5.3   Housing Property Services have effective arrangements to monitor equipment and stock. Arrangements are in place to actively manage the risk of fraud through prevention and detection techniques.

5.5.4   The two long term PFI contracts to manage street council housing are managed by a clienting team with governance via senior management meetings with the PFI board and scrutiny via a range of annual audits carried out by the Council's Internal Auditors. On 4 April 22, one of the PFI contracts, PFI2 covering over 4,000 homes was insourced to the Council.

5.5.5   The PFI Integration Board oversaw been set up to oversee the programme of work for Islington HRA PFI (Partners for Improvement) Street Properties Project Two (PFI2) contract coming to an end in July 2022, and services transferring in April 2022. The Executive took the decision in July 2020 that services should be integrated into the Council's own housing service.

5.5.6   The Social Housing Regulator will, in future inspect and rate social landlords. A Service Improvement Board within the Homes and Neighbourhoods department, chaired by the corporate director, is undertaking a programme of work to be inspection ready.

5.5.7   A Building Safety Programme with a board chaired by the Director of Housing Property Services oversees preparations and compliance with the Fire Safety Act, and legislative and regulatory requirements on building safety.

5.5.8   The relationship with the 23 Tenant Management Organisations in the borough is managed by the TMO compliance team, supported by internal audit who run an annual programme auditing TMO financial and governance controls.

5.5.9   Residents are involved in the prioritisation and governance of the Housing Service via reference groups and representation on Housing Scrutiny Committee.

5.5.10   Governance for the Council's new build programme of new council homes and capital investment works to existing homes is provided by the Housing Delivery Board.

5.6   Transformation

5.6.1   The Council's change management framework ensures organisation change is well planned and delivers at pace. A Transformation Board, chaired by the Chief Executive, is a proactive monthly forum that increases corporate focus and oversight of strategic transformation and change programmes. This is supported by Directorate Delivery Boards, ensuring clear oversight of risks, issues, benefits and learning against all change and improvement projects under each directorate.

5.6.2   All major change projects have a CMB sponsor and a Senior Responsible Officer at Service Director level. Highlight reports are produced and reviewed at Directorate Delivery Boards,

with Transformation Board taking an overview of the Council's core transformation programmes, with a focus on strategy, accountability and impact.

5.6.3   The Transformation Unit supports project managers with these change initiatives, bringing attention to key risks and issues, ensuring appropriate progress is made and key dependencies are addressed. This draws on a wider support network, including Finance, Digital, HR, Legal and risk management advice to ensure barriers to success are identified and addressed.

5.6.4   The project planning process has a strong emphasis on resident impact and, where appropriate, return on investment. These are then monitored following project completion to ensure they are delivered

5.7   Commissioning and Procurement

5.7.1   The Council has a clear direction for Commissioning and Procurement as set out within the Progressive Procurement Strategy 2020/27, agreed by the Executive on 15 October 2020. The strategy sets out the general approach of the Council in regard to money spent with third parties. It covers all aspects of supply chain management and is divided into three themes: active leadership; progressive supply partnerships; and achieving community benefits.

5.7.2   The strategy is supported by the Council's Procurement Rules and individual service and commissioning plans. The Strategic Procurement and Supply Assurance service supports officers to comply with the legislative and governance framework for procurement and supply. That service includes highly qualified and experienced senior officers. Internal challenge is delivered on significant decisions by a Commissioning and Procurement Board, incorporating an Executive Member, senior managers from all areas of the Council and specialist experts. A board of operational managers form the Supply Chain Practitioners Group which reviews working practices and champions key priorities for service departments like social value and net zero carbon.

5.7.3   These governance elements allow the Council to focus on maximising value for money, and on delivering procured services that are high quality, meet contractual commitments and are based on strong supplier relationships. 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.

5.8   Cyber and Data Security

5.8.1   There continues to be an increase in malevolent cyber activity, particularly with the warfare in Ukraine which also includes targeted cyber-attacks. This area has been included in the Council's Principal Risk Report. We continue to review and enhance the Council's Cyber and Data Security approach. Good progress has been made in lifting our cyber defences and the strategy is to continue the migration to cloud services. Recent activity has included:

- Enhanced Authentication controls;
- Protection from Zoom-bombing;

- Geo fencing to reduce offshore attacks;

- Achievement of Public Sector Network Certification (PSN);

- Completed infrastructure upgrades including Wide Area Network, Backup & Storage replacement, Core & Edge switches and many other technical enhancements & protections;

- A cloud-based Security & Incident Management (SIEM) service is currently being adopted; and

- Uplift in the staff cyber-safe education programme.

5.8.2 In summary, cybersecurity and education remains a key focus for staff working both on site and remotely.

5.9 EU Exit

5.9.1 The Council has continued to closely monitor the potential impacts of the EU Exit on the Council as an organisation and also to residents. Prior to the agreement of a new trade deal between the UK and the EU, the Council's Brexit Preparedness group led on the coordination of Brexit-related activities, including communications and scenario planning for a no-deal scenario.

5.9.2 Following the agreement of a new trade deal between the UK and the EU on 24 December 2020, thus avoiding a potential no-deal scenario, the Council removed its EU Exit Principal Risk from its Principal Risk Report and instead weaved the remaining risks emanating from the exit into the existing Principal Risks (e.g. contract management). Where applicable, the impacts of the EU exit are also being managed via local directorate and service level risk registers.

5.10 Workforce Wellbeing

5.10.1 The Council has prioritised employees' wellbeing during the pandemic. Since March 2020 the Council has significantly added to the existing wellbeing support available to staff. This includes providing support and resources on a range of topics including mental health and work/life balance.

5.11 Climate Emergency

5.11.1 The Council declared a Climate Emergency in June 2019, recognising the need to drastically reduce carbon emissions in the borough. A pledge has been made to work towards being a net zero borough by 2030, and the Net Zero Carbon strategy was adopted in November 2020.

5.11.2 The Affordable Energy Board has been replaced by a Net Zero Carbon Executive Board with a wider remit. This board is developing strong interfaces with other Council officer/member boards to manage strategic risks. This area has also been included in the

Council's Principal Risk Report to ensure that the risk cause, consequence and mitigating actions are tracked and monitored.

6 Significant governance issues and areas for improvement

6.1.1 A key element of the annual governance review process is to identify any significant governance issues. The Council has adopted the approach recommended by CIPFA, which has identified what may be considered generally as a significant issue. These include:

- The issue has seriously prejudiced or prevented achievement of a principal objective;

- The issue has resulted in a need to seek additional funding to allow it to be resolved;

- The issue has resulted in significant diversion of resources from another aspect of the business;

- The issue has led to a material impact on the accounts;

- The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose, or

- The Head of Internal Audit has reported on it as significant in the annual opinion on the internal control environment.

6.1.2 There were no significant governance issues that met these criteria during 2021/22. However, forward-looking areas of focus have been highlighted as priorities within directorate self-assessments. In line with good governance arrangements, these areas will be monitored during the year ahead.

6.2 Adult Social Care

6.2.1 Due to concerns raised during the pandemic around the quality of adult safeguarding practice, the directorate worked closely with the internal audit team to fully assess this quality. Significant concerns were raised in the subsequent report, and a comprehensive action plan was developed to ensure that standards were again raised, and that oversight was appropriate to ensure that practice remained at a good standard. Follow up reviews by audit colleagues have indicated that this work has been successful and they were able to offer assurance in all areas. The Council continues to develop and improve its oversight in this area.

6.3 The impact of the pandemic

6.3.1 The challenges arising from the pandemic have been highlighted and, in line with good governance arrangements, will be monitored during the year ahead.

6.3.2 The pandemic has caused the largest shock to the global economy on record, with severe restrictions put in place across huge swathes of economic and social activities. Rather than a one-off event that the Council's budget is recovering from, it is expected that the pandemic will continue to have a significant, currently unquantifiable, impact on the Council's medium-term budget. The economic ramifications of the pandemic are going to take some years to unfold, with an inevitable impact on public sector spending settlements going forward. There

is also a risk that the pandemic leads to a long-term increase in demand for some Council services. Pandemic-related budget pressures will continue to be reviewed as part of the budget monitoring and medium-term financial planning processes.

6.3.3   The impacts of the pandemic on strategic priorities, projects and programmes are constantly being considered as the Council takes steps to restore, reinvent and retain services.

6.4   Housing Revenue Account (HRA) business plan

6.4.1   Going forward the HRA business plan will be produced during the Council's business planning phase and aligned to the annual budget setting process and papers.

6.5   Energy and Fuel Inflation

6.5.1   The financial risk to the Council of gas, fuel and electric is significant. With the unprecedented rise in energy costs and the financial impact that this may have on council services and residents there is a risk of investment needing to be realigned to meet the pressure. Work is continuing to consider future contract options and procurement strategies to mitigate energy price volatility.

6.6   Transformation Board

6.6.1   The Transformation Board monitors key transformation projects and Medium-Term Financial Strategy savings.

6.7   Tackling inequalities

6.7.1   Work will continue to address this area of principal risk. The Council's Challenging Inequality Strategy aims to deliver tangible action and improvements in outcomes for residents, staff and service users. The Challenging Inequality Programme will drive and monitor actions across the Council to reduce social inequalities.

6.8   Capital programmes

6.8.1   Capital programmes will continue to be monitored against the Corporate Asset Strategy to ensure that investment is directly linked to core Council ambitions around fairness and community wealth building.

6.9   The AGS concludes that the Council had effective governance arrangements in place for the 2021/22 year. No significant governance issues were identified however the Council proposes over the coming year to take steps to address the above matters to further enhance the Council's governance arrangements. The Council is satisfied that these steps will address the need for improvements that were identified in the Council's review of

effectiveness and will monitor their implementation and operation as part of the Council's next annual review.

Signed by:

David Hodgkinson
Corporate Director of Resources
13 December 2023