

ANNUAL GOVERNANCE STATEMENT 2023/24

This statement from the Leader and the Chief Executive provides assurance to all stakeholders that within Merton Council processes and systems have been established, which ensure that decisions are properly made and scrutinised, and that public money is being spent economically and effectively to ensure maximum benefit to all residents of the borough.

1. Scope of responsibility

- 1.1. Merton Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. Merton Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2. Merton 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 the effectiveness is informed by the work of senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and by comments made by external auditors and other review agencies and inspectors.
- 1.3. This statement explains how Merton Council has complied with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (2016) and the requirements of regulation 6(1b) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an annual governance statement. The Guidance has identified seven core principles supported by a further 21 sub-principles against which local authorities should measure their compliance. The outcomes of such a review then provide the key issues for Members to consider in relation to the production and content of the AGS (Annual Governance Statement).

2 The governance framework

- 2.1. The governance framework comprises the systems and processes, culture, and values by which the authority is directed and the activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2. The Governance Framework summarised in this Statement has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts. Some of the key elements of the Authority's governance framework are described below.
- 2.3. The Cipfa Advisory Note 'Understanding the Challenges to Local Authority Governance (March 2022) reinstates the importance of increasing awareness and strengthening governance arrangements following the significant high-profile failures in some local authorities. The Cipfa Advisory Note 'Developing an effective assurance framework in a

local authority' (December 2023) set out the importance of effective governance framework, highlighting the need for organisations to encourage and facilitate a high level of robust internal challenge through audit committees and internal challenge.

Figure 1 How audit committees add value across the organisation.



Source: *Audit Committees: Practical Guidance for Local Authorities and Police* (CIPFA (Chartered Institute of Public Finance and Accountancy), 2018)

Overview of the Councils governance framework

The Full Council	The full council sets the policy and budgetary framework and is responsible for the appointment of the mayor; members of other bodies such as Scrutiny, other Committees, and local committees. It also adopts the Code of Conduct for Councillors, agrees any changes to the Councils constitution and terms of reference for committees, panels, and other member bodies. These meetings are open to the public, except where personal or confidential matters are being discussed.
Cabinet	The Cabinet is the part of the Council that is responsible for most executive decisions. The Cabinet is made up of a maximum of 10 Councillors, including a Leader elected by the Council and a Deputy Leader appointed by the Leader. The Cabinet is required to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision that is outside the budget or policy framework, the decision must be referred to the Council as a whole to decide.

Scrutiny and governance oversight	<p>The Overview and Scrutiny Committee reviews council policy and can challenge decisions. They hold main Committees to account and in doing so it fulfils a critical role in demonstrating openness and accountability in the Council's decision-making process.</p> <p>The Standards and General Purposes Committee are a key component of the Council's corporate governance. They provide an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The Council's Standards function reviews governance, promotes, and maintains high standards of conduct by councillors.</p>
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Decision Making	<p>All decisions made in compliance with law and the councils Constitution.</p> <p>A 'Forward Plan' is published, detailing all key decisions to be made by the Council in relation to executive matters.</p> <p>Meetings are held in public, are filmed and available on YouTube platforms.</p> <p>All decisions are published on the Council's website and all the minutes of the committees are published including any reports discussed.</p>
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Risk Management	<p>Risk Management Strategy - reviewed annually.</p> <p>Corporate Strategic Risk Register - reviewed by CMT and Standards and General Purposes committee.</p> <p>Departmental Risk Registers - reviewed quarterly by DMT's.</p>
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Corporate Management Team	<p>Council's senior management team, consisting of the Chief Executive, six Executive Directors and the Monitoring Officer:</p> <p>The Chief Executive (Head of Paid Service) is responsible for all council staff and responsible for deciding how executive decisions are implemented.</p>
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Constitution

2.4 The Council's arrangements for decision making and conduct of its statutory functions are contained in its Constitution. The Council's Constitution sets out how decisions are made and the procedures that are followed to evidence open and transparent policy

and decision making and compliance with established policies, procedures, laws, and regulations. The Monitoring Officer completes an annual review of the Council's Constitution and to ensure its aims and principles are given full effect.

- 2.5 The Council's Constitution sets out the roles and responsibilities of Members and senior officers. The role of the corporate management team, including the statutory chief officers, such as the Head of Paid Service, (Chief Executive) and the Section 151 officer, as well as the Monitoring Officer, is to support Members in the policy and decision-making process by providing assessments and advice to ensure that decision making is rigorous, lawful and risk based. The Constitution was updated in 2023/24 to reflect the new department changes. **The Schemes of Management for each department are due to be reviewed and updated in 2024/25. (Included on the action plan).**

Corporate Plan

- 2.6 A new Council Plan, to cover the period 2023 to 2026 was developed during 2022/23 and adopted by Council in April 2023.
- 2.7 The new Council Plan 'Building a Better Merton Together' sets out the ambition for Merton, strategic priorities, guiding principles and delivery objectives. This sets out 3 key objectives.
- Nurturing Civic Pride
 - Building Sustainable Future
 - Creating a Borough of Sport
- 2.8 The Council's Business Plan sets out the Council's priorities for improvement over the next four years and is reviewed every year to ensure that it always reflects the most important improvement priorities. Annual Service Plans were not required for 2023/24 but regular monitoring of existing Corporate and Service Plan indicators was maintained. This includes bi-monthly reporting of progress against relevant priorities to the Leader of the Council by the responsible Cabinet Member supported by senior officers.
- 2.9 The Medium-Term Financial Strategy (MTFS) outlines how much money the Council expect to receive over the next four years and in broad terms what we expect to be spending this on.
- 2.10 The Constitution contains the requirements for consulting Overview and Scrutiny on the budget and business plan. There is an initial phase of scrutiny in November each year, with the second round in January representing the formal consultation of scrutiny on the proposed Business Plan, Budget, and Capital Programme the Business Plan 2023-24 was approved by Overview and Scrutiny and Cabinet 16 January 2023.

Performance, and risk management

- 2.11 The Council has a risk management process to identify, assess and manage those significant risks to the Council's objectives including the risks of its key strategic

partnerships. The risk management process includes a risk management strategy, and corporate and departmental risk registers. Departmental Risk Registers are reviewed quarterly by officers and these and the Key Strategic Risk Register are reviewed quarterly by the Corporate Risk Management Group and CMT and annually by the Standards and General Purposes Committee.

- 2.12 A new Corporate Performance Framework was developed alongside the Council Plan and was implemented during 2023/24. This has included a move to more timely monthly reporting to the Corporate Management team where data availability allows for this. Directorate Plans, with a new format, were reintroduced for 2023/24 alongside a refreshed 'Golden Thread' framework that links the Council Plan through to objective setting for individual employees. Planning arrangements for 2024/25 are being finalised to correspond with a refresh of the Council Plan going to Council in July 2024 and the introduction of a new staff appraisal system, that will strengthen the Golden Thread cascade.
- 2.13 Review and challenge of Performance Indicators are established within ongoing performance management arrangements with monthly, quarterly, and annual returns, including to external bodies. Performance reports are produced in accordance with agreed timescales and include regular reporting of both Key and Service-related Performance Indicators. During 2023/24 the format of this reporting was developed to provide more contextual information from Directors on key performance issues.

Council Priorities and MTFS

- 2.14 On 1 March 2023 Council agreed the Budget 2023/24 and MTFS 2023-27. A balanced budget was set for both 2023/24 and 2024/25 with gaps remaining in future years which need to be addressed.
- 2.15 Reports on progress of the 2023/24 Business Plan were made to Cabinet on 17 July, 18 September, 16 November, 18 December 2023, 15 January 2024 and 19 February 2024 (Business Plan 2024-28 approval).
- 2.16 The provisional settlement for 2024-25 was received on 18 December 2023. A report to Cabinet on 15 January updated the MTFS and set out the details of the provisional settlement. This included the approval of a second tranche of growth proposals and a decision to include an additional 1% increase in Council Tax so that Council Tax will increase by 5% in 2024/25 (3% core and 2% ASC precept) which is the threshold set in the Government's Council Tax Referendum principles.
- 2.17 The Medium-Term Financial Strategy (MTFS) 2024-28, incorporated proposed savings and growth and balanced the budget for 2024-25 was approved by Overview and Scrutiny in January 2024. On 6 March 2024 Council agreed the Budget 2024/25 and MTFS 2024-28. A balanced budget was set for 2024/25.
- 2.18 There are regular opportunities for leadership challenge and discussion through monthly reporting (except for period 1) of financial performance to CMT and the budget setting process and regular reports to the Overview and Scrutiny Committee.
- 2.19 A Capital Strategy and Accompanying Treasury Strategy are published annually as part of the MTFS. These are compliant with the Prudential Code and other relevant

guidance. Future investment is linked to available capital resources and the costs of investment are planned for in the revenue budget. Officers provide robust challenges and make consideration of all options for prudent investment opportunities that are permissible within current guidance or funding constraints.

- 2.20 Budget holders are held accountable for their own budgets through monthly DMT reviews and monthly reviews at CMT. Performance information is reviewed on a quarterly basis at both DMTs and CMT level, with quarterly reporting to the Overview and Scrutiny Committee.
- 2.21 CIPFA published its annual financial resilience index in January 2024 based on published Revenue Outturn data 2022/23. This is a comparative analytical tool used by local authorities to provide an understanding of the Council's financial resilience and risk. It highlights areas requiring additional scrutiny. The current analysis shows that the council has low financial risk, compared to other London Boroughs.
- 2.22 A new Financial Management Code was introduced by CIPFA (Chartered Institute of Public Finance and Accountancy) in 2021/22, setting out the standards for financial management in Local Authorities. The Financial Management (FM) Code is the collective responsibility of elected members, the Section 151 Officer, and the leadership team of the Council to ensure that compliance with the Code is monitored and that the requirements are being sufficiently met. The principles of the FM Code are supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to financially manage the short, medium and long term finances of a local authority and financial resilience to meet demand on services. An assessment against this code was completed and found that overall, the Council demonstrated a strong level of compliance with the Code.

Information Governance

- 2.23 The Council has designated the Executive Director of Innovation and Change as Senior Information Risk Owner. Quarterly Information Security and Governance Board meetings are held to review policy, procedures, and data breaches, with representatives from each department and key officers.
- 2.24 To minimise cyber security threats and to support the efficient delivery of Council services the need to refresh IT security is constant. Annual online Information Security training is mandatory for all staff. This has been identified as an area of concern for the Council and is included on the Council's Key strategic Risk Register.
- 2.25 In 2023/24, there were 135 data breaches logged, this compares to 137 in 2022/23. No breaches were required to be reported to the ICO (Information Commissioner's Office).
- 2.26 The Council's commitment to openness and transparency to publish data is freely available on the Council's website. The Council publishes most of the information specified by the government's Open Data requirements on the Council's Open Data webpage.
- 2.27 Under the Freedom of Information (FOI) Act, a public authority must respond to an FOI request within 20 working days. The council is measured against a target of 90% of FOI

requests dealt with in time. In 2023/24, the total number of requests made were 1,638 of which 1,412 (86.2%) were responded to on time. This compares to 2022/23, total requests 1,414, with 1,175 (83.1%) responded to on time.

- 2.28 The Council is required to respond to Subject Access Requests (SAR) within 1 month. The number of SARs (Subject Access Records) in 2023/24 were 165, of which 105 (63.6%) were responded to on time.
- 2.29 Performance is reported to the Corporate Management Team monthly and is also published on the Council's website via the performance monitoring dashboard.
- 2.30 A report from ICO resulted in an action plan, to be implemented during 2023/24. The action plan covered, includes updating policies, ensuring staff have received training in the last 12 months, updating the Information Access Registers, review complaints procedures. Progress on these actions has been undertaken during 2024/25 and on-going work will be overseen by Information Security and Governance Board.

Complaints

- 2.31 To ensure that concerns or complaints from the public can be raised, the Council has an established formal complaints policy which sets out how complaints can be made, what should be expected and how to appeal, the latest policy was last reviewed in April 2017, and is due to be reviewed in 2024/25 to bring it in line with the Ombudsman guidance that was issued in October 2020.
- 2.32 A new CRM (Customer Relations Management) system to support handling of complaints, went live on 26 June 2023. All complaints processes have been reviewed in developing this system, and once online should be fully compliant with LGSCO guidance. The system has been designed with LGSCO guidance in mind from complaint entry right the way through to responding to complaints, resolving them, learning lessons and reporting.
- 2.33 Council's performance in responding to complaints is reported to the Corporate Management Team monthly and published on the council's performance monitoring dashboard. An annual complaints report is reported to S & GP. The 2022/23 annual report went to S&GP Committee in November 2023.
- 2.34 The number of complaints received by the Council in 2023/24 was 1,127 (887 in 2022/23 and 673 in 2021/22). The number of complaints escalating to stage 2 was 106. The Local Government and Social Care Ombudsman issued 37 Final decisions, of which 12 were upheld (In 2022/23, this was 44 of which 12 were upheld).

Working in partnership

- 2.35 The Council works with a number of other public sector bodies, organisations, and voluntary groups. Partnerships are essential and engrained in the way the Council operates and delivers services. The output and expectations are aligned to Merton Corporate Plan. The Council appoints members to joint committees to collaborate with other councils.

Statutory Integrated Care System

- 2.36 From 1 July 2022 the South West London NHS Integrated Care System (ICS) Board, became a statutory organisation led by two new bodies: the NHS Integrated Care Board (ICB) and the Integrated Care Partnership (ICP).
- 2.37 The South West London ICS brings together NHS organisations, the boroughs of Croydon, Kingston, Merton, Richmond, Sutton & Wandsworth, Healthwatch organisations, charities, and community voluntary organisations. The aim of the ICS is to achieve four aims: to improve outcomes in population health and healthcare; to tackle inequalities in outcomes, experience, and access; to enhance productivity and value for money; and to help the NHS support broader social and economic development.

Shared Service arrangements

- 2.38 The South London Waste Partnership (SLWP) comprises Sutton, Kingston, Merton and Croydon waste collection and disposal services. There is a joint committee with Councillor representatives from each London Borough. Three meetings were held in 2023/24 to discuss contract performance, communication and engagement and budgets.
- 2.39 The arrangements for the waste collection service will change in April 2025 when the current contract with Veolia will end. During 2023/24 each Council has undertaken their own procurement arrangements. The governance arrangements in place at Merton include the SLWP Board, to oversee the project and regular briefings. The award of the contract was completed in 2023/24, to start from April 2025.
- 2.40 A Regulatory Services Partnership (RSP) was set up between Merton and Richmond Councils on the 1st of August 2014, to cover Environmental Health (Commercial and Pollution), Trading Standards and Licencing Team, with Merton as the host. Wandsworth Council joining with a tri-borough service going live from April 2018. The governance arrangements in place are overseen by the Regulatory Services Partnership Management Board, comprising of senior officers from the three boroughs. **An internal Audit review carried out in 2023/24 identified that a collaboration agreement between the 3 councils has not been formally agreed.**
- 2.41 The Council has other Shared Service arrangements with 4 other councils, Kingston, Sutton, Richmond, and Wandsworth for the South London Legal partnership (SLLp), Internal Audit and Fraud. The governance arrangements for these services are managed through Shared Service Boards (SSB) comprising senior officers from each of the Councils. The boards meet at least four times a year. Each board meeting provides an opportunity to focus upon key areas of shared service delivery. Alongside looking at performance, monitoring and supporting key delivery priorities and issues.
- 2.42 The Council has other arrangements in place with other neighbouring Councils. The current joint arrangements include, Payroll service, provided by Kingston for Sutton, Merton, and Kingston. Pension shared service provided by Wandsworth Council; Insurance Services provided by Sutton Council. Merton provide the following services for Sutton Council: Mascot and Bailiff service.

Review of effectiveness

- 2.43 The Statutory Officers and Directors are responsible for conducting an annual review of

the effectiveness of its governance framework, including the system of internal control. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level.

2.44 The review of effectiveness is informed by the work of senior management within the council who have responsibility for the development and maintenance of the governance environment, the Head of Audit internal report and other review agencies and inspectors.

2.45 The key elements of the review of effectiveness are: -

- a) The Council's internal management processes, such as performance monitoring and reporting, staff performance appraisal framework and monitoring of policies such as corporate complaints and health and safety.
- b) ~~OBJ~~ An annual self-assessment completed by Executive Directors and Directors, confirming that governance arrangements and controls have been operating as intended throughout the year.
- c) The annual report of the Head of Internal Audit, to members on the adequacy and effectiveness of the internal control framework, the Council's risk management and governance process. The opinion based on the draft annual report 2023/24 provides reasonable assurance.
- d) The Standards and General Purposes Committee is independent and separate from the scrutiny function delivered through the Overview and Scrutiny Committee and from the decision-making committees. The Standards and General Purposes Committee provides an oversight on a range of core governance and accountability arrangements.
- e) ~~OBJ~~ An annual report of the effectiveness of the Standards and General Purposes Committee for 2022/23 was presented to the July 2023 committee. This concluded that the work programme in place had enabled the committee to carry out its function effectively. A skills assessment was completed by members of the committee and found that the committee had a good level of knowledge and experience. An annual report for 2023/24, is due to go to the July 2024 committee for approval.
- f) ~~OBJ~~ The Key Strategic Risk Register is presented to CMT on a quarterly basis for discussion, following assessments by DMT's on their departmental risks. The Key Strategic Risk Register has 6 red risks for the Council highlighted in March 2024, with control actions, for: -
 - Implementation of the Climate Action Plan
 - Risk of Cyber-attack on the Council's IT Infrastructure and Systems
 - DSG Safety Valve
 - Annual Savings Programme
 - Corporate Business Plan & Balanced Budget
 - Housing Supply

- g) ~~Obj~~ The Risk Management Strategy and guidance are reviewed annually, by the Standards and General Purposes Committee (October 2023).

Issues currently affecting the Council.

Unaudited Accounts 2022-23

- 2.46 The Council's external auditors are Ernst and Young. The Council's Accounts 2022/23 have not yet been audited and the Value for Money report has not been provided. This was solely down to resource constraints with our External Auditors. Any governance issues or concerns identified by external audit, will therefore need to be highlighted in next year's AGS (Annual Governance Statement).
- 2.47 The Council is part of the Public Sector Audit Appointments (PSAA) national scheme which appoints the Council's external auditors. Ernst and Young has been appointed to continue acting as the external auditors for five years from 2023-24. Currently, there is significant uncertainty, accounting technicalities and capacity issues in the external audit market, with delays nationally to signing off local authority accounts.

Local government funding

- 2.48 The local government settlement for 2023-24 announced an average 9% increase in core spending power, to help deal with inflationary and other cost pressures together with extra funding for social care. This social care funding had been earmarked for the adult social care reforms, but these were delayed until October 2025 and resources recycled to support current care pressures. There was no indication of how the delayed adult social care reforms can now be financed, so there is uncertainty as to whether the plans will go ahead. There are delays in the Fair Funding Formula.
- 2.49 The Council received a one-year funding settlement for 2023/24 from the Government which created uncertainty in budget setting for 2024/25, but a further one-year settlement was issued in December 2023 and was reported to the Council as part of the budget report. The lack of certainty over future funding is an area identified in the Council's Medium Term Financial Strategy and in the Key Strategic Risk register as a high risk.
- 2.50 Moving forward to 2025/26 and beyond, the MTFs shows a gap of £10.6m in 2025/26 rising to £15.6m in 2027/28. With economic uncertainty, funding for local government is expected to come under pressure and this will have implications for Council services. The risk remains high as future financial years remain unbalanced and local government funding is uncertain.

Dedicated Schools Grant (DSG)

- 2.51 Allocations for the Dedicated Schools Grant (DSG) were published alongside the settlement, but the planned policy reforms aimed at reducing the pressure on high

needs budgets have not been published to date. This will be needed to ensure that high needs deficits are eliminated before the end of March 2026, when the statutory override arrangements are due to end.

- 2.52 Funding from government not matching increased costs to schools. Schools are funded according to pupil numbers so falling rolls can lead to reduced economies of scale and class sizes that do not match funding. Approximately 1/3 of LA (Local Authority) maintained schools have set a deficit budget resulting in total deficit budget of nearly £2 million. Total forecast deficit at end of 2023/24 currently sits at £2.456m.
- 2.53 There are significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The cumulative deficit at the end of 2022/23 was £34.466m and the deficit increased to £41.243m at the end of 2023/24 after the third tranche of Safety Valve funding.
- 2.54 Merton received a DSG Safety Valve support funding of £28.8 million from 2021/22 to 2026/27 from the DfE (Department for Education), (£11.6 million 2021/22, £6.7 million 22/23, £3.575 million for 23/24, £1.675 million for 2024/25 and then £2.624 for each of the next two year). The Council submits a quarterly monitoring report, which shows good progress against all conditions and a significant stabilisation of activity levels, but progress is currently behind the agreed target.

3. Conclusion

- 3.1 This annual review has shown that the governance framework is consistent with the principles of the CIPFA (Chartered Institute of Public Finance and Accountancy) / SOLACE best practice framework and the examples of the arrangements that should be in place. In particular, Internal Audit has reviewed the effectiveness of the system of internal control, risk, and governance for 2023/24. The Head of Internal Audit’s opinion based on this work, is that the system of internal control risk and governance are generally sound and effective.

Table 1 update on actions raised in 2023/24 action plan and progress to date

1. Review of Standards and General Purposes Terms of Reference
<p><u>Proposed Action:</u> Review Standards and General Purposes Committee Terms of Reference to bring it in line with Cipfa recommendations.</p> <p><u>Update on action:</u> A review of the Committees’ terms of reference against CIPFA’s recommendations was undertaken, as part of the Annual review of the Standards and General Purposes Committee 2022/23, resulting in a number of additions that were recommended to Full Council and subsequently approved in September 2023. The constitution has been updated.</p>
2. Review constitution and Scheme of management (part complete)

Proposed Action: To review constitution to bring it in line with the new corporate management structures. To review the Scheme of delegation.

Update on action: The Constitution has been updated. The Schemes of Management have been updated for Adults, Public Health, Integrated Care department, and will be updated for the other departments in 2024/25.

3. Response to the Climate Emergency and failure to reduce carbon emissions in the borough (carry forward)

Proposed Action: Recruitment to key officers to action climate change agenda.

Update on action: Vacant posts required to be filled in 2024/25.

4. Review and update of the Financial Regulations and Procedures (in progress-carried forward)

Proposed Action: Completion of the review of Financial Regulations and procedures

Update on action: draft revisions have been carried out and will go to full council for approval, in 2024/25.

5. Finance Management Code compliance (closed)

Proposed Action: Results and progress on actions on the review of compliance with the Financial Management Code

Update on action: An assessment against the code was completed and found that overall, the Council demonstrated a strong level of compliance.

6. Financial pressure (on-going)

Proposed action: Regular review and updates on financial planning for areas of increased financial pressure.

Update on action.

Council approved a balanced budget and council tax for 2024/25 on 6 March 2024. Moving forward to 2025/26 and beyond, the MTFS shows a gap of £10.6m in 2025/26 rising to £15.6m in 2027/28. With economic uncertainty due within the next year, funding for local government is expected to come under pressure and this will have implications for council services. The risk score remains high as future financial years remain unbalanced and local government funding is uncertain.

During 2024/25 there will be enhanced Budget Monitoring with a detailed focus by CMT and Cabinet on the delivery of savings together with mitigations or potential replacements for those that are proving challenging. Regular review of progress on delivery via monthly Budget Monitoring reporting. Budget Managers will be required to

review options if there are income shortfalls.

7. Information Governance action plan (closed)

Proposed action: To implement the Information Governance action plans, update polices, training for staff, update information access registers and review complaints procedures.

Update on action: Action plan has been implemented, will be reviewed, and progressed as required.

8. Complaint's policy (carried forward)

Proposed Action: A review of the Complaints policy to bring it in line with the Ombudsman guidance that was issued in October 2020

Update on action: The policy is due to be updated in 2024/25.

9. Business Continuity Plans review (carried over)

Proposed Action: Business Continuity Plans to be reviewed in 2023/24.

Update on action: Current arrangements for reviewing, updating, and testing departmental Business Continuity plans are currently in progress as part of the corporate resilience work and will be completed in 2024/25.

10. Fraud Policies reviews (completed)

Proposed Action: All fraud policies will be reviewed and updated in 2023/24 (Anti-Fraud and Corruption Policy, Whistleblowing and Anti Money Laundering policy).

Update on action: Policies reviewed and approved by Standards and General Purposes Committee

Table 2 Actions for 2024/25

1. Review and update departmental Schemes of Management

Proposed Action: Schemes of Management to be reviewed and updated for each department

Responsible Officer: Department leads

2. Response to the Climate Emergency and failure to reduce carbon emissions in the borough (carried forward)

Proposed Action: Recruitment to key officers to action climate change agenda

Responsible Officer: Executive Director Housing and Sustainable Development and Executive Director Environment, Civic Pride and Climate

3. Review and update of the Financial Regulations and Procedures (carried forward)

Proposed Action: Review and approval of the Financial Regulations and procedures

Responsible Officer: Head of Business Planning

4. Financial pressure (on-going)

Proposed Action: During 2024/25 there will be enhanced Budget Monitoring with a detailed focus by CMT and Cabinet on the delivery of savings together with mitigations or potential replacements for those that are proving challenging. Regular review of progress on delivery via monthly Budget Monitoring reporting. Budget Managers will be required to review options if there are income shortfalls

Responsible Officer: Executive Director of Finance and Digital

5. Complaint's policy (carried forward)

Proposed Action: A review of the Complaints policy to bring it in line with the Ombudsman guidance that was issued in October 2020

Responsible Officer: Head of Communications

6. Business Continuity Plans review (carried forward)

Proposed Action: Business Continuity Plans to be reviewed in 2024/25

Responsible Officer: Executive Director Finance and Digital

7 Shared Regulatory Partnership agreement

Proposed Action: The Collaboration Agreement to be finalised and agreed with the final version reflecting the current practices and processes in place for the tri-borough Shared Regulatory Service

Responsible Officer: Head of Regulatory Services

3.2 Progress managing these issues will be monitored in-year and assessed as part of the next annual review.

4. Statement of the Leader of the Council and the Chief Executive

- 4.1 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by senior management and the Standards and General Purposes Committee. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined above. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.
- 4.2 It is our opinion that the Council's governance arrangements in 2023/24 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2024/25.

Signed on behalf of Merton Council

Chief Executive:

Date

Leader:

Date

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