The Chartered Institute of
Public Finance & Accountancy

London Borough of Enfield

External Assurance Review

May 2026

A Report by:

The Chartered Institute of Public Finance and Accountancy

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

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1 Executive Summary

1.1 Summary of Findings, Issues, Evidence and Analysis

This review was commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) and undertaken by CIPFA in April 2026 following Enfield Council's applications for Exceptional Financial Support (EFS) in 2024–25 and 2025–26. Although a further £10 million EFS application had been submitted for 2026–27, this was withdrawn two weeks later as it was no longer required following improvements made and the outcome of the Provisional Local Government Finance Settlement. The council agreed a balanced budget for 2026–27 without additional EFS. The review therefore assesses whether the council's financial management, governance and service reform arrangements are now sufficiently robust to support financial sustainability without any further capitalisation through EFS.

Enfield Council's financial management arrangements show clear signs of improvement but remain fragile. Senior finance leadership has stabilised, risk management has been strengthened, and the 2026-27 budget reflects a more realistic and prudent approach, including explicit savings deliverability adjustments and enhanced contingencies. However, long-standing weaknesses continue to undermine resilience. These include a prolonged period of disclaimed accounts, reliance on manual workarounds and an outdated SAP ledger, historically reduced internal audit coverage, and finance capacity pressures below senior level. Planned implementation of a new ERP system in 2026-27 is critical to addressing these structural weaknesses, as is the further strengthening of Internal Audit to provide assurance commensurate with the council's risk profile.

The 2026-27 budget represents a step-change in realism, with a 17% increase in net revenue budget targeted at demand-led pressures in Adult Social Care, children's services and homelessness, and a clear framework for managing risk. The council has articulated a credible Financial Resilience Framework and no longer plans to rely on EFS in the short term. Nevertheless, sustainability remains conditional and exposed to delivery risk. Enfield carries a high absolute debt position, dominated by the Meridian Water programme, with rising capital financing costs over the medium term. Risk reserves are on a planned trajectory to recovery but remain vulnerable to further in-year overspends. Savings delivery has improved but remains uneven, and the Medium-Term Financial Plan includes a significant back-end gap (£34.5 million) that will require transformation activity to close. The council's challenge is no longer diagnosis, but delivery at pace.

The council has materially de-risked its capital programme, reducing planned General Fund debt in 2026-27 by £609 million compared to 2020 plans and introducing a disciplined debt strategy supported by a self-imposed cap on its general fund capital financing requirement. Capitalisation is expected to be financed primarily through capital receipts, with a £130 million disposal target over five years. This approach is coherent and aligned with reducing long-term financing costs, but execution risk is high and exceeds recent delivery performance. Meridian Water remains the single largest opportunity and risk, with prudently re-profiled receipts but a fixed external deadline linked to Housing Infrastructure Fund funding that heightens delivery risk. The absence of a current Strategic Asset Management Plan weakens the strategic framework at a critical point and should be addressed as a priority.

The council continues to deliver core statutory services to a good standard under severe financial pressure. Adult Social Care and Children's Social Care are externally rated 'Good', and Homelessness and Temporary Accommodation services have delivered measurable cost reductions. Service strategies are coherent, aligned with national best practice, and focused on prevention, demand management and reduced reliance on high-cost external provision. The principal risk is implementation maturity: several transformation programmes are still transitioning from design into delivery, benefits will take time to realise, and market volatility—particularly in care placements—remains significant. Strengthened finance business-partnering and continued stress-testing will be required to maintain grip.

Enfield Council has an appropriate governance framework aligned with CIPFA/SOLACE principles, clear schemes of delegation and stable political and senior officer leadership. The reconfiguration of the Audit Committee has strengthened assurance, and there is a strong culture of openness to external challenge, including engagement with CIPFA, the LGA and regulators. However, the effectiveness of governance is constrained by uneven embedding at operational level, particularly the consistency of in-year financial scrutiny and the alignment between internal self-assessment and external audit findings. Leadership demonstrates a clear understanding of risks and recovery actions, and organisational culture is generally constructive and improvement-focused, but sustained attention is needed to ensure early warning signals are identified and acted upon promptly.

Enfield Council has moved decisively from crisis response towards stabilisation, with stronger governance, improved financial realism and credible plans to avoid further capitalisation through EFS. However, the council remains financially vulnerable, with limited headroom and significant dependence on delivery of savings, transformation, capital receipts and major projects. The direction of travel is positive and credible, but success now depends on disciplined execution over the next three years. Continued focus on system modernisation, assurance, scrutiny, transformation delivery and reserves rebuild will be essential if the council is to secure sustainable finances and avoid renewed financial stress.

1.2 Key Risks and Recommendations

This table provides the improvement plan and roadmap that we recommend the council follows with priority actions indicated by the RAG rating and the recommended timeline included with the recommendations.

Key risk	Risk rating (see details in Annex A2)	Recommendation (including Timeline)
On the quality of financial management and processes		
1. Internal Audit is not adequately developed during 2026-27 to deliver the assurance step-up the council's risk profile now demands.	2	1. Strengthen Internal Audit during 2026-27 by approving adequate resource, embedding its contribution to the Assurance Board, and reviewing the administrative reporting line. **During 2026-27**
2. The unsupported SAP general ledger and the absence of an integrated budget monitoring system	4	2. Lock budget monitoring functionality into the 2027-28 ERP build, with a defined target operating capability and

Key risk	Risk rating (see details in Annex A2)	Recommendation (including Timeline)
continue to constrain financial management.		funding route, and confirm scope inclusion to the Audit Committee. **By 2027-28 budget**
3. Without a current Financial Management Code self-assessment, the council cannot evidence to Members, the external auditor or MHCLG that it is benchmarking the finance function against the recognised CIPFA standard.	**2**	3. Programme the next Financial Management Code self-assessment to follow ERP delivery and report it to the Audit Committee. **Following ERP delivery**
On financial sustainability and risk		
4. Material slippage in 2026-27 savings delivery is not absorbed by the £1.45 million deliverability adjustment, with the unmade saving carrying into 2027-28.	**4**	4. Operate a single savings tracker covering all 35 lines of the 2026-27 programme, reviewed monthly at the Assurance Board, with early-warning escalation to EMT and Cabinet on emerging slippage. **Monthly through 2026-27**
5. The council does not use the three years of front-loaded balance (2026-27 to 2028-29) to convert the Transformation Strategy into worked-up MTFP savings lines targeted at the £34.5 million back-end gap.	**4**	5. Develop and publish during 2026-27 a Transformation Strategy mapping outputs to the MTFP savings lines they are intended to deliver, with quarterly progress reporting to Cabinet. **Strategy in 2026-27; quarterly Cabinet reporting from 2026-27**
6. A material in-year overspend or retrospective audit adjustment slows the rebuild of risk reserves from £43.3 million towards the £90.6 million target by 2029-30.	**4**	6. Stress-test the reserves rebuild trajectory annually and report the outcome to the Audit Committee. **Annual, from 2026-27**
7. In-year pressure during 2026-27 exceeds the £9.5 million combined buffer and the General Fund is exposed because no equivalent EFS facility is available.	**2**	7. Report quarterly to Cabinet on drawdown against the £9.5 million combined buffer, with escalation triggers if combined drawdown reaches 50%. **Quarterly, from 2026-27**
8. The £2m–£4 million DSG residual after the Stability Grant lands in 2027-28 against rebuilding reserves rather than against the statutory override.	**6**	8. Provide explicitly in the 2027-28 budget for the residual DSG balance as part of the MTFP, with that provision approved by Cabinet and Full Council, and report the position annually to Cabinet — with the Audit Committee providing assurance on the

Key risk	Risk rating (see details in Annex A2)	Recommendation (including Timeline)
		accounting treatment and the risk arising from expiry of the statutory override — until the override ends. **2027-28 budget; annual reporting to Audit Committee**
9. Capital receipts under-deliver against the £130 million five-year target, with consequences for borrowing, transformation funding and affordability.	6	9. Report quarterly to Cabinet on disposal pipeline progress against the £130 million five-year target, with the in-year and cumulative position and the consequent implications for the £997 million CFR. **Quarterly, from 2026-27**
10. The Meridian Water programme does not deliver the disposals on which the November 2026 HIF deadline and the receipts-based MRP treatment depend.	6	10. Report monthly to EMT and quarterly to Cabinet on Meridian Water delivery against the November 2026 HIF deadline. **Monthly EMT / quarterly Cabinet, until November 2026**
11. The Energetik or HGL loan exposures generate an Expected Credit Loss provision beyond the £1.9 million Energetik shareholder reserve.	4	11. Report to Cabinet and Audit Committee on the financial implications of the HGL and Energetik strategic review outcomes. **On strategic review conclusion**
12. The current MRP treatment of the council's pre-May 2024 non-commercial subsidiary loans does not survive review challenge.	4	12. Report annually to Cabinet and six-monthly to the Audit Committee on the judgement-intensive MRP provisions as a distinct item — Meridian Water, subsidiary loans, audit trail and model integrity. **Annual to Cabinet; six-monthly to Audit Committee**
13. The "technical assessment" principle for contested MRP judgements is not formally embedded in policy and audit-dialogue processes, leaving judgement-intensive provisions dependent on personal CFO stance.	1	13. Embed the "technical assessment" principle as an explicit feature of the next MRP policy statement and the audit-dialogue protocol with Grant Thornton. **Next MRP policy statement**
On service reform, delivery and transformation		
14. ASC unit-cost inflation in nursing and dementia continues to outpace the 2026-27 budget assumption, exposing the General Fund.	9	14. Conduct a mid-year stress test against the £19.3 million budgeted ASC growth assumption, identifying whether unit-cost inflation has

Key risk	Risk rating (see details in Annex A2)	Recommendation (including Timeline)
		remained within budget tolerance, and report the outcome to EMT and the Safer and Healthy Communities Scrutiny Panel. **Immediate**
15. The placement market continues on its current trajectory of double-digit annual price growth, the £6 million of Children's Services growth in the 2026-27 budget proves insufficient, and the General Fund is exposed against the £34.5 million residual MTFP gap.	9	15. Conduct a mid-year stress test against the £6 million budgeted Children's Services growth assumption, identifying whether placement price growth has remained within budget tolerance, and report the outcome to EMT and the Thriving Children and Young People Scrutiny Panel. **Immediate**
16. The council does not select an SLCN delivery model in the 2026-27 budget cycle, foregoing the largest single Enfield-specific SEND cost-avoidance opportunity.	4	16. Select one of the three SLCN model options under consideration and present a decision to Cabinet in the 2026-27 budget cycle, with cost, demand and outcome targets to allow forward measurement. **By 2026-27 budget cycle**
17. The £2 million transformation element of the 2026-27 ASC savings package is not delivered, ASC falls back into overspend, and the £1.45 million corporate deliverability adjustment is partly consumed by ASC alone.	2	17. Present the ASC transformation programme to the Safer and Healthy Communities Scrutiny Panel during 2026 once the CO31-supported action plan is complete. **During 2026**
18. The reform programme's cost-avoidance benefits land later than the demand pressure they are designed to absorb, with a widening interim financial exposure.	6	18. Surface the demand-vs-absorption gap in the quarterly Children's Services revenue monitoring report alongside the reform programme's cost-avoidance metrics. **Quarterly, from 2026-27**
19. ASC demand pressure exceeds budgeted growth in 2026-27 because of continuing cross-border placement, hospital-discharge and dementia volume trends.	6	19. Surface ASC volume drivers — cross-border placement counts, hospital discharge proportion, and dementia placement numbers — in the quarterly revenue monitoring report alongside ASC outturn against budget. **Quarterly, from 2026-27**
20. ASC financial monitoring lacks the granular operational visibility that	4	20. Agree and implement a strengthened finance business-

Key risk	Risk rating (see details in Annex A2)	Recommendation (including Timeline)
physical finance presence at placement panels and operational forums would provide.		partnering operating model for the demand-led services (ASC and Children's), with physical finance attendance at placement panels and operational forums, reported to EMT. **During 2026-27**
On governance, culture and leadership		
21. In-year financial scrutiny by the OSC remains thin, weakening Member-level assurance over the financial recovery programme.	**2**	21. Embed quarterly revenue and capital monitoring, Treasury mid-year reporting, the Reserves Strategy and a companies session as standing OSC Work Programme items. **From 2026-27 Work Programme**
22. The post-May 2026 Member induction programme does not bring incoming Members up to speed quickly enough on the financial recovery programme.	**4**	22. Cover the council's financial position, the Section 24 response, debt and MRP, company governance and the Audit Committee role in the July 2026 Member induction, with a refresher for Cabinet at six months. **Immediate; refresher after six months**
23. The AGS operates as a self-assessment in isolation from the external auditor's findings.	**4**	23. Reconcile the 2025-26 AGS to external audit findings, and embed this in subsequent AGSs. **From 2025-26 AGS**

2. Introduction

2.1 Background

On 11 December 2025, Enfield Council had applied for £10 million in Exceptional Financial Support (EFS) for 2026-27, which was subsequently withdrawn on 30 December 2025 following the Provisional Local Government Finance Settlement. This followed an earlier application in January 2025 for EFS of £20 million for 2024-25 and £10 million for 2025-26. Following the announcement of the settlement and improvements the council has made in its financial management, EFS is no longer required in 2026-27 and in February 2026 Enfield Council agreed a balanced budget without such support.

CIPFA was commissioned by MHCLG to undertake this review on 26 March 2026.

2.2 Requirement

The details of the analysis required by MHCLG, and the methods applied by CIPFA to complete the requirement are contained in Annex A1.

3 Areas Reviewed

3.1 Review Area 1: Quality of Financial Management and Financial Processes

The council's financial management arrangements show signs of improvement but remain fragile. While the accounts are prepared in line with proper practice, the prolonged period of disclaimed audits, reliance on manual workarounds, outdated financial systems and historically reduced audit coverage have materially weakened assurance and resilience. Recent actions—including stabilising senior finance leadership, strengthening risk management, introducing more prudent budgeting assumptions, and improving assurance coordination—represent a positive shift and demonstrate greater realism and grip. However, in our view these improvements are not yet fully embedded, and sustained progress will depend on successful system modernisation, strengthening finance capacity below senior levels, and consistent application of controls over time.

The following sections outline the basis of this assessment in more depth.

a) *The local authority's financial management, governance processes, the effectiveness of its internal control environment and the audit and scrutiny committee(s), as well as compliance with local government accounting codes and international finance reporting standards.*

Key findings and analysis

The council prepares its financial statements in accordance with the Code of Practice on Local Authority Accounting and the underlying IFRS. The accounts from 2019-20 onwards have been disclaimed by external audit. This is not atypical amongst councils and reflects the national local-audit backlog, but the period covered is unusually long. The Chief Finance Officer has informed the review that the cumulative effect of any retrospective adjustments across multiple disclaimed years remains a watching point given the scale of the historic capital programme.

The finance function is very dependent on 'workarounds' to set budgets and monitor spending. The construction of the budget and medium-term financial plan is carried out on manual spreadsheets that are then collated centrally. While this is workable, it is reliant on checks and balances rather than systemic integrity. The council operates a quarterly in-year financial management cycle, but the SAP general ledger is outdated and does not produce dashboards or structured budget-holder reports.

Furthermore, the council's finance team has previously been under-resourced, with gaps in both the capital team and the revenue-side finance system. We understand that these gaps have since been addressed, and there are plans to introduce an ERP finance system for 2026-27 which should automate processes and reduce the administrative burden.

The Internal Audit function operates as an in-house service reporting administratively to the Director of Law and Governance and functionally to the Audit Committee. The Head of Internal Audit also line-manages Counter Fraud and Insurance, with documented charter safeguards under which audits of those functions are commissioned externally. The audit plan for 2024-25 returned a 'reasonable' annual opinion, consistent with the opinion in 2023-24. However, the external quality assessment by the Chartered Institute of Internal Auditors in February 2025 concluded that the function only partially conforms with the Public Sector Internal Audit Standards — the same conclusion as CIPFA's January 2020 assessment.

In particular, the volume of the audit programme had reduced materially from 34 assurance opinions in 2022-23 to 14 in 2024-25 - a 59% reduction over two years, and the audits of the wholly owned trading companies were not in the delivered 2024-25 programme. Resource constraint is the principal driver: the team has carried vacancies through 2024-25 and into 2025-26, with the shared-service arrangement with Waltham Forest having ended in 2023 and an experienced senior member having retired. Permanent recruitment has been supplemented by external provision, and the plan is now substantially resourced, but the constraint has limited audit coverage during the period.

It is important to note, however, that the council is actively addressing the internal control and financial management issues through the establishment of regular 'golden triangle' meetings of the statutory officers, the Head of Internal Audit and the Executive Director with social care responsibility. The meetings have been termed an Assurance Board. The Board reviews material assurance papers including Internal Audit findings, Counter Fraud activity, and significant policy matters with assurance implications. The Board is a useful coordination point between the senior officer team and the Internal Audit function, and provides a single forum at which assurance issues across the council can be considered before they reach the Audit Committee.

Risks and Recommendations

Key risk	Risk rating	Recommendation
1. Internal Audit is not adequately developed during 2026-27 to deliver the assurance step-up the council's risk profile now demands.	2	1. Strengthen Internal Audit during 2026-27 by approving adequate resource, embedding its contribution to the Assurance Board, and reviewing the administrative reporting line. **During 2026-27**

b) The capacity and capability of the local authority to deliver an effective finance function to the authority commensurate with the complexity of its particular circumstances, the ability to undertake any transformation activity as required, and consider whether officers / members are provided with the right information and training to take necessary financial decisions.

Key findings and analysis

The finance function comprises approximately 73 staff, and while there are still capacity issues, there is now a much more stable senior finance leadership. The Chief Finance Officer has been permanent in post for twelve months, having been with the council in finance roles for four years. Both Deputy Section 151 posts are now permanently filled from internal candidates; one with an ex-chief accountant background giving particular strength on financial controls and revenue, the other a housing development background relevant to companies and debt.

The council has, during 2025-26, transferred lead responsibility for operational savings tracking from finance to the Chief Executive's transformation team, in order to improve the link to the transformation programme. The transfer is a sensible structural fix.

External audit has noted that the internal promotion approach to filling the three senior finance posts facilitates continuity and stability. The team below still needs strengthening and the council has committed to addressing the issue through the development of a finance team workforce development plan by June 2026.

Risks and Recommendations

Key risk	Risk rating	Recommendation
2. The unsupported SAP general ledger and the absence of an integrated budget monitoring system continue to constrain financial management.	4	2. Lock budget monitoring functionality into the 2027-28 ERP build, with a defined target operating capability and funding route, and confirm scope inclusion to the Audit Committee. **By 2027-28 budget**
3. Without a current Financial Management Code self-assessment, the council cannot evidence to Members, the external auditor or MHCLG that it is benchmarking the finance function against the recognised CIPFA standard.	2	3. Programme the next Financial Management Code self-assessment to follow ERP delivery and report it to the Audit Committee. **Following ERP delivery**

c) The local authority's approach to financial risk management including identification, management and treatment of risk.

Key findings and analysis

The council's Risk Management Strategy was revised and adopted by Cabinet in April 2025. Under the revised strategy, risks are considered by the executive management team and Informal Cabinet on a six-monthly cycle, with the Audit Committee also reviewing the Corporate Risk Register at least twice a year. The first Audit Committee review of the Corporate Risk Register under the revised Strategy took place at the 28 January 2026 meeting, in both Part 1 (open) and Part 2 (exempt) sessions.

Our analysis of the financial risks confirms a more prudent approach than previously. Seven key budget assumptions are identified as particularly sensitive — Meridian Water capital receipts, capital financing costs, demand pressures (particularly Adult Social Care and temporary accommodation), savings deliverability, the DSG deficit, Energetik, and retrospective audit adjustments — with specific risk commentary for each. The treatment is evidenced and the identified risks are the right ones.

Two features of the 2026-27 budget reflect a more conservative approach to risk than has been the council's recent practice. First, the savings deliverability adjustment of £1.45 million is the first time the council has explicitly built a deliverability hedge into the budget rather than relying on the central contingency to absorb savings shortfalls. The Director of Finance, Corporate, and the Chief Finance Officer are both clear that this is an honest acknowledgement of the 2024-25 savings shortfall (£2.4m) and the emerging shortfall in 2025-26. Second, the forward MTFP gap is constructed using a five-year analysis of pressures rather than only the pressures known and quantified at the time of budget setting. This is a deliberately more conservative methodology than the council previously used, on the reasoning that the historic record shows pressures of this scale arise each year and it is more prudent to plan for them rather than only those already visible. The £8 million central contingency in the 2026-27 budget (1.7% of Net Revenue Budget, increased from lower prior-year levels) is a further proportionate hedge.

Risks and Recommendations

Key risk	Risk rating	Recommendation
None identified.		None identified.

3.2 Review Area 2: Financial Sustainability and Risk

Enfield Council has taken steps to stabilise its finances following a period of acute pressure, with a strengthened 2026–27 budget, improved resilience framework and clearer medium-term direction. Significant growth in the revenue budget has been used to address known demand-led pressures in Adult Social Care, children's services and homelessness, supported by settlement funding uplift and grant reclassification, while reliance on further EFS has been removed in the short term. The council has improved budget discipline through explicit savings deliverability adjustments, a strengthened savings assurance process, and a more realistic approach to risk and contingency. However, financial sustainability remains fragile and conditional: high absolute debt, exposure to major projects such as Meridian Water, ambitious capital receipts assumptions, partial savings delivery in recent years, and the need to convert transformation ambitions into recurring, cashable savings all present ongoing risk. The council's plans are credible and better governed than previously, but delivery at pace—particularly on savings, transformation, reserves rebuild and capital receipts—will be critical if the authority is to avoid renewed financial stress over the medium term.

The following sections outline the basis of this assessment in more depth.

a) The underlying drivers of any financial fragility and risk and the local authority's ability to successfully manage those drivers so that issues do not materialise.

Key findings and analysis

The report to Cabinet in February 2026 outlined a projected overspend in 2025-26 of £8.7 million against a net budget of £348.7 million – see figure. The key areas driving the pressure comprise Adult Social Care (£10.8 million), children's social care (£1.6 million), and temporary accommodation for the homeless (£2.7 million). In each case the finance team noted that this was due to increased service demands and higher unit costs.

The council has significantly increased its net revenue budget for 2026-27 to reflect such pressures. The net revenue budget has increased by £69m on a like for like basis, equivalent to nearly a 17% increase. This increase is being financed primarily through increased council tax (£10.3 million) and a substantial increase in funding through the local government finance settlement (£54.0 million).

Enfield Forecast Revenue Outturn for 2025-26

Department	Net Budget £m	Forecast Outturn £m	Forecast Variance Q3 £m
People	178.3	190.7	12.4
Environment & Communities	50.7	50.9	0.1
Housing	14.5	17.2	2.7
Resources	15.6	15.7	0.1
Chief Executive Service	25.5	25.5	0.0
Service Net Costs	**284.7**	**300.0**	**15.3**
Housing Benefit Subsidy loss	2.8	2.0	(0.8)
Corporate	61.3	59.3	(2.0)
Grant Substitution for GF	0.0	(3.3)	(3.3)
Net Expenditure	**348.7**	**358.0**	**9.3**
Taxation & Non-specific grants	(348.7)	(349.3)	(0.6)
Total	**0.0**	**8.7**	**8.7**

Source: Report to Cabinet, Enfield Council, February 2026

While these significant increases should be sufficient to absorb demographic and inflationary pressures, the scale and risk profile of its major projects generate a longer-term risk. At 31 March 2025, the council held £1.286 billion of external debt with a loans capital financing requirement of £1.425 billion. Meridian Water alone accounts for £369.6 million of the capital financing requirement (peaking at £384 million in 2028-29) and is the principal driver of the differential against statistical neighbours. As a result, the capital financing costs impacting on the revenue account are forecast to rise from £24 million in 2024-25 to £40.0 million by 2035-36, even under the borrowing restraint of the 2026-27 plan.

Risk reserves were eroded to near-critical levels through 2023-24 and 2024-25, stabilised through EFS being applied to revenue pressures, and are now on a planned three-year trajectory back to the £43.3 million minimum and a £90.6 million target. The council's financial fragility is not the product of any single failure but the cumulative effect of two pressures: on the revenue side, three demand-led services growing faster than the funding base can absorb; on the balance sheet side, a high absolute debt position dominated by Meridian Water.

The Section 25 Statement issued by the Chief Finance Officer for 2026-27 is supported by a structured Financial Resilience Framework presenting a five-stage resilience model (Strong / Resilient / Stable / Vulnerable / Critical) with explicit indicator criteria. The council currently self-classifies as Vulnerable, with an aim to move to Stable during 2026-27 and Resilient by 2029-30. The trajectory is plausible but highly dependent on no further material overspends, savings delivery, the receipts pipeline holding, and no retrospective audit adjustment crystallising.

Risks and Recommendations

Key risk	Risk rating	Recommendation
None identified.		None identified.

b) An assessment of steps the local authority is undertaking to ensure it remains within its spending envelope, including deliverability and appropriateness of current savings / transformation plans, income generating activity, ensuring activities that are no longer required are being scaled back

Key findings and analysis

The council's ability to remain within its spending envelope for 2026-27 rests on a savings programme of £12 million gross across 35 proposals, presented to Council in February 2026 alongside an explicit deliverability adjustment of £1.45m.

The savings programme over 2023-24 to 2025-26 has been a substantial and necessary contributor to deficit reduction, but characterised by partial rather than reliable full delivery. The 2024-25 outturn recorded a £2.4 million shortfall (£18.7 million programme, £16.3 million delivered), concentrated in environment and communities and digital; the 2025-26 position improved but remained below full delivery, with the Head of Financial Strategy reporting a £3.0 million forecast shortfall (£17 million delivered against £20m).

A material part of the underlying pattern is the recurring need to replace savings that fall away: the 2024-25 and 2025-26 schedules both contained one-off or time-limited items that reverse in following years and require fresh savings to hold the same baseline. The compound effect is that part of each year's gross programme replaces savings that previously appeared in the base rather than reducing it.

Grant Thornton's November 2025 Section 24 recommendation noted that the 2025-26 balanced budget relied on £18.1 million forecast savings and £5 million reserves use alongside £30 million EFS, and recommended that the council prioritise recurring actions and explore recurring savings arrangements to rebuild reserves without future recourse to EFS.

The Chief Finance Officer has informed the review team that approximately £4.3 million of the gross programme has already been delivered before the financial year — principally a reduction in employer pension contributions — with a further £0.6 million from the planned £50 million capital disposals. New operational savings, net of these, are approximately £7 million.

The deliverability adjustment is the first time the council has explicitly built a hedge against savings non-delivery into the budget, rather than relying on central contingency. It is constructed bottom-up, applying historic % delivery rates and held centrally rather than disclosed to budget holders, who remain committed to 100% delivery.

The 2026-27 budget construction and oversight represents a step-change after several years in which savings programmes were delivered in part, with shortfalls absorbed through contingency, reserves and EFS. Operational savings tracking now sits with the corporate Transformation Board rather than finance. The tracker operates monthly, each

Departmental Management Team reviewing its area against a confidence-RAG status, with two consecutive Ambers triggering escalation to EMT and the Leader.

Nevertheless, the MTFP carries a residual cumulative gap of £34.5 million across 2029-30 and 2030-31, which the council will need to close through transformation activity. The forward-year savings provision (c.£5 million of new operational savings a year for 2027-28 and 2028-29) is currently a target rather than a worked-up programme, which the council acknowledges is the work of the 2027-28 budget cycle supported by the Transformation Board. The council does not yet have a standalone Transformation Strategy, although the 2026-27 budget includes £9.4 million of Flexible Use of Capital Receipts (FUCR) revenue funding for transformation activity.

The council has three years to develop the Transformation Strategy from a portfolio of concurrent programmes into worked-up MTFP savings lines targeted at that back-end gap. The Chief Executive has recently established a corporate Transformation Board, chaired by him with the Executive Directors as members, supported by a Transformation Office and a single tracker covering all transformation activity, with a remit that explicitly distinguishes one-off, recurring, efficiency and cashable savings.

Risks and Recommendations

Key Risk	Risk Rating	Recommendation
4. Material slippage in 2026-27 savings delivery is not absorbed by the £1.45 million deliverability adjustment, with the unmade saving carrying into 2027-28.	**4**	4. Operate a single savings tracker covering all 35 lines of the 2026-27 programme, reviewed monthly at the Transformation Board, with early-warning escalation to EMT and Cabinet on emerging slippage. **Monthly through 2026-27**
5. The council does not use the three years of front-loaded balance (2026-27 to 2028-29) to convert the Transformation Strategy into worked-up MTFP savings lines targeted at the £34.5 million back-end gap.	**4**	5. Develop and publish during 2026-27 a Transformation Strategy mapping outputs to the MTFP savings lines they are intended to deliver, with quarterly progress reporting to Cabinet. **Strategy in 2026-27; quarterly Cabinet reporting from 2026-27**

> ***c) An overall view on the ability of the local authority to manage identified budget pressures through its own resources, including reserves. This should include a view on the actions the council should take to minimise the need to use / seek a capitalisation direction.***

Key findings and analysis

Risk reserves — minimum, target and trajectory

Risk reserves were eroded to near-critical levels through 2023-24 and 2024-25 due to in-year overspends in temporary accommodation, Adult Social Care, children's services and housing benefit subsidy loss.

The General Fund balance is held at a 5% of NRB target (£21.95 million on the 2026-27 NRB of £439m). The 2026-27 budget includes a planned three-year contribution to risk reserves of £4.3 million in 2026-27, then £16.6 million in 2027-28 and £27.6 million in 2028-29 as the budgeted annual contribution grows year on year (by a planned £12 million and then a further £11 million). The cumulative effect would, if delivered in full, restore risk reserves to their £90.6 million target by 31 March 2029, at the end of the three-year contribution period. Achievement of the target is currently programmed for 2028-29. As a consequence, the Chief Finance Officer has confirmed to the review team that the council does not intend to apply for an EFS capitalisation direction for 2026-27; the £20 million EFS for 2024-25 and £10 million for 2025-26 were both funded from capital receipts already in hand rather than new borrowing; and there is no ongoing EFS revenue liability requiring repayment. The structural improvement in the 2026-27 budget removes the immediate need for further capitalisation direction.

The trajectory is plausible but tightly conditional on no further material in-year overspend. The council identifies this as the principal vulnerability and has built two compensating mechanisms into the 2026-27 budget: an £8 million central contingency (1.7% of NRB), held centrally and not earmarked and the £1.45 million savings deliverability adjustment. Both are appropriate, but their combined £9.5 million is approximately equal to the Q3 2025-26 forecast in-year overspend pre-EFS (£7.4m); a similar overspend in 2026-27 would consume the contingency and the deliverability adjustment substantially in full and put the £4.3 million planned reserves contribution at risk. The Chief Finance Officer's view, communicated to the review team, is that the response would be further savings or in-year management action rather than an unmitigated draw on reserves.

The DSG statutory override, which keeps the cumulative deficit on a ringfenced reserve rather than impacting General Fund reserves, is a material conditional factor in the reserves trajectory. The cumulative DSG deficit was £17.4 million at 31 March 2025, projected to rise to approximately £23 million at 31 March 2026, and the override is currently scheduled to expire at the end of 2027-28.

The Department for Education has confirmed 90% grant cover for the high-needs deficit element through the High Needs Stability Grant, with the residual c.£2 million falling to the council; DfE guidance requires authorities to evidence reform plans to access it.

The council will therefore need to provide during 2027-28 for the residual DSG deficit not covered by the Stability Grant but we understand that the £2m–£4 million residual cost has already been factored into the planned growth on reserves.

For 2027-28 and beyond, whether the council remains free of any need for EFS will depend on the combined effect of savings delivery, capital receipts delivery, demand-led pressures, and the DSG residual exposure. The Chief Finance Officer's position to the review team is that returning to EFS dependence is not a planning assumption and that the 2026-27 financial framework is designed to avoid that outcome.

Risks and Recommendations

Key risk	Risk rating	Recommendation
6. A material in-year overspend or retrospective audit adjustment slows the rebuild of risk reserves from £43.3 million towards the £90.6 million target by 2029-30.	4	6. Stress-test the reserves rebuild trajectory annually and report the outcome to the Audit Committee. **Annual, from 2026-27**
7. In-year pressure during 2026-27 exceeds the £9.5 million combined buffer and the General Fund is exposed because no equivalent EFS facility is available.	2	7. Report quarterly to Cabinet on drawdown against the £9.5 million combined buffer, with escalation triggers if combined drawdown reaches 50%. **Quarterly, from 2026-27**
8. The £2m–£4 million DSG residual after the Stability Grant lands in 2027-28 against rebuilding reserves rather than against the statutory override.	6	8. Provide explicitly in the 2027-28 budget for the residual DSG balance, and report the position annually to the Audit Committee until the statutory override expires. 2027-28 budget; annual reporting to Audit Committee

d) An assessment of how the council expects to finance capitalisation (i.e through external / internal borrowing or through capital receipts), the viability / risks of their proposed approach.

Key findings and analysis

Enfield Council remains a high-debt authority in absolute terms and relative to financial capacity. As at 31 March 2025 (pre-audit), external borrowing stood at £1.286 billion, with a total capital financing requirement (CFR) of £1.488 billion when PFI and lease liabilities are included (see table). Internal borrowing of £139 million reflects the use of cash balances to support capital expenditure. Although the weighted average interest rate of 3.13% remains comparatively low, the scale of debt places the council in the top quartile of authorities when measured against Core Spending Power, constraining financial flexibility.

Capital financing and debt position at 31 March 2025 (pre-audit)

Measure	General Fund £m	HRA £m	Total £m
Loans CFR	996.0	429.3	**1,425.3**
PFI and other liabilities			63.1
Total CFR			**1,488.4**
External borrowing			1,286.0
Internal borrowing (balance)			139.3
Weighted avg. interest rate on debt			3.13%
Treasury investments			90.1

Source: Treasury Management Outturn Report 2024-25, Table 4.

The council's medium-term strategy seeks to reduce reliance on borrowing and reposition Enfield to the third quartile of authorities for debt by 2028-29. This approach is closely aligned with the withdrawal from EFS and is underpinned by three factors: restraint on new General Fund borrowing, disciplined application of Minimum Revenue Provision (MRP), and accelerated capital receipts. Progress against this strategy is contingent on delivery of receipts and continued control over the capital programme, rather than significant reductions in the underlying CFR in the short term.

The 2026–27 capital programme totals £476.4 million, with a ten-year programme of £2.056 billion (see table). While the overall scale remains large, the funding mix has materially shifted. General Fund borrowing across the ten-year period has been reduced by £260 million compared to the February 2025 plan, reflecting a deliberate de-risking of the programme. This has been achieved through scaling back Meridian Water borrowing, re-profiling the temporary accommodation lease programme, and increasing reliance on capital receipts and flexible use of capital receipts (FUCR) to fund transformation costs rather than borrowing.

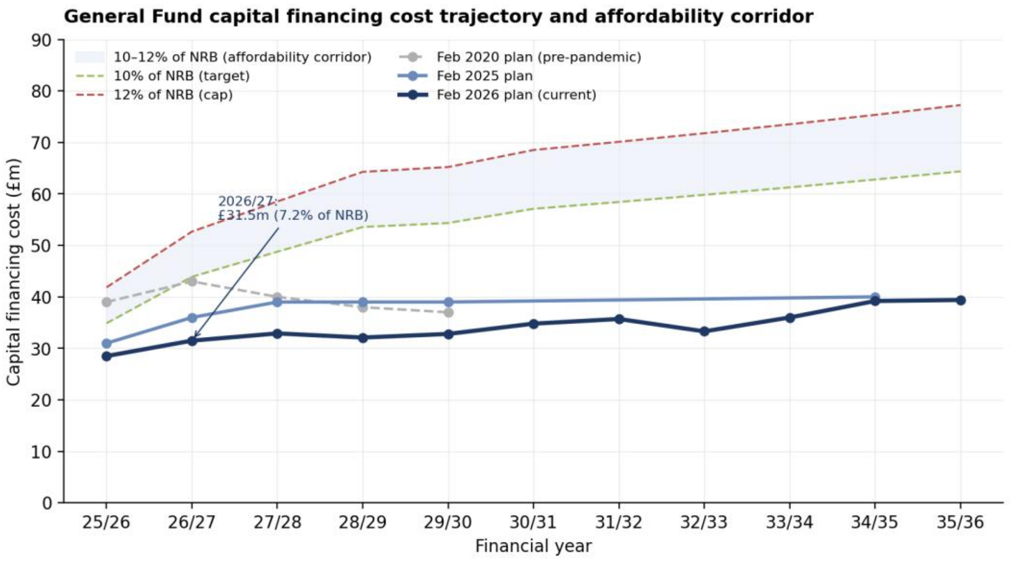
Ten-year capital programme — summary movement between Feb 2025 and Feb 2026 plans

	Feb 2025 plan £m	Feb 2026 plan £m	Movement £m
Total programme	2,192.3	2,056.4	(135.9)
Meridian Water	270.1	170.3	(99.8)
Temp. accommodation (leases)	664.4	549.7	(114.7)
HRA	843.4	865.9	22.5
GF borrowing — 10yr total	540.6	280.5	**(260.1)**
GF capital receipts — 10yr	161.8	98.5	(63.3)

Source: 2025-26 and 2026-27 Capital Strategy reports to council.

Capital expenditure is therefore expected to be financed primarily through capital receipts, supported by internal borrowing and strict limits on new external borrowing. The council has set a £130 million General Fund disposal target over five years, with £50 million assumed in 2026-27 and £20 million per annum thereafter. £42.9 million of the 2026-27 receipts are earmarked specifically for funding the capital programme in place of previously assumed borrowing, generating an estimated £700,000 annual revenue saving. While this approach is coherent and consistent with reducing long-term financing costs, the disposal target is ambitious and exceeds recent delivery rates, meaning execution risk is material.

To support affordability, the council has introduced a clearly articulated four-stage debt strategy and a self-imposed General Fund Loans CFR ceiling of £997 million. The 2026-27 budget and MTFP are constructed within this cap, with new schemes tested through a monthly Capital Finance Review Panel before approval. Forecast capital financing costs remain well within the council's affordability corridor of 10-12% of net revenue budget, falling from 7.3% in 2024-25 to around 6% by 2028-29 (see figure). This reflects a significantly more prudent position than earlier plans and indicates improved financial discipline.



Source: 2026/27 TMSS Appendix A Table 3; prior-year plans from successive Capital Strategy reports. Cost is before PFI, finance leases and transfers to reserves.

However, the long-term viability of the strategy depends on several assumptions outside the council's direct control. These include timely crystallisation of Meridian Water receipts, sustained delivery of the disposals programme, and the absence of further demand-led pressures requiring additional capitalisation. Stage 3 of the debt strategy—bringing Enfield to the England average for debt scaled to financial capacity—is therefore a direction of travel rather than a deliverable outcome within the current MTFP. Overall, the approach to financing capitalisation is credible and significantly de-risked compared to earlier plans, but remains exposed to delivery risk, particularly around capital receipts and external funding assumptions.

e) An assessment of the council's current asset base and planned asset disposal strategy, and scope for the council to utilise planned receipts and generate to fund expenditure capitalised under exceptional financial support.

Key findings and analysis

The council's asset disposal strategy provides a plausible route to funding capitalised expenditure and reducing reliance on borrowing, but delivery risk is high. Meridian Water represents both the largest opportunity and the most significant risk. The 2026–27 capital programme reflects a deliberately prudent reprofiling of Meridian Water receipts, reducing anticipated income by £270 million over ten years. Borrowing requirements had already been reduced accordingly, with spend in 2026–27 focused primarily on enabling infrastructure rather than land acquisition, and the Meridian Water CFR forecast to peak before gradually declining over the long term.

However, this internal prudence sits alongside a material external timing risk. Grant Thornton's Section 24 recommendation highlights a statutory deadline linked to Housing Infrastructure Fund (HIF) funding, under which delays beyond November 2026 could trigger repayment of up to £195 million to MHCLG. This introduces a fixed external constraint that compresses delivery risk into a narrow window and materially heightens exposure should development milestones not be met. While the council has identified contingency routes, including government underwriting and alternative partnership models, the concentration of risk remains significant.

Beyond Meridian Water, the council has established an indicative asset disposal pipeline to support a £130 million five-year capital receipts target, including £50 million assumed in 2026–27. The property function reports that this target has been developed on a bottom-up basis, with several sites at an advanced stage and the prior year's £9 million target delivered. On this basis, the near-term element of the programme is considered credible, subject to normal market and transactional risks. A separate restructuring of the rural estate provides additional contingency, with the potential to generate receipts in excess of non-Meridian Water requirements, albeit without certainty of timing or value.

The absence of a current Strategic Asset Management Plan, with the existing plan covering 2019–2024, weakens the strategic framework at a critical point. Timely adoption of an updated plan will be important to underpin confidence in the scale, timing and prioritisation of disposals required to support the council's financial strategy.

Risks and recommendations

Key Risk	Risk Rating	Recommendation
9. Capital receipts under-deliver against the £130 million five-year target, with consequences for borrowing, transformation funding and affordability.	6	9. Report quarterly to Cabinet on disposal pipeline progress against the £130 million five-year target, with the in-year and cumulative position and the consequent implications for the £997 million CFR. **Quarterly, from 2026-27**

10. The Meridian Water programme does not deliver the disposals on which the November 2026 HIF deadline and the receipts-based MRP treatment depend.	**6**	10. Report monthly to Meridian Water Executive Board and quarterly to Cabinet on Meridian Water delivery against the November 2026 HIF deadline. **Monthly EMT / quarterly Cabinet, until November 2026**

f) A detailed assessment of any financial risks in relation to the council's (i) capital programme, (ii) companies, (iii) commercial investments and (iv) major projects, identifying any risks associated with specific investments, and assessing the adequacy of internal processes, scrutiny of decisions, use of external expertise (where required), and capacity / capability to deliver. An assessment of whether and to what extent the council is complying with statutory guidance / following best practice in regard to these areas, including, but not limited to, minimum revenue provision guidance, investment guidance, and accounting codes.

Key findings and analysis

Treasury management performance has been strong, with the council operating within all prudential indicators and maintaining effective control over borrowing and liquidity. The principal forward risk relates to refinancing, as historic borrowing at a weighted-average rate of around 3.2% is replaced with new borrowing assumptions closer to 4.9%. This risk is recognised and appropriately reflected within the council's capital financing cost forecasts. Mitigations include a preference for longer-term borrowing to reduce exposure to rate volatility and the use of local authority-to-local authority lending where advantageous. Overall, treasury practices are compliant with the CIPFA Treasury Management Code and demonstrate sound technical capability.

The council has significantly strengthened its MRP framework following external audit and CIPFA findings. The revised policy for 2026–27 clearly distinguishes six classes of borrowing and sets out explicit treatment for each, broadly aligned with the 5th Edition MRP Guidance. Improvements include correcting historic accounting treatments, aligning MRP rates for new borrowing with prevailing PWLB rates, and establishing a structured approach to post-May 2024 loans, supported by an earmarked reserve for expected credit losses. The Chief Finance Officer has articulated and applied a clear principle that MRP policy should reflect regulatory and evidential requirements rather than budgetary preference, which is positive. However, several elements of the policy remain judgement-heavy and depend on council-held assumptions, particularly in relation to Meridian Water asset readiness, voluntary revenue provision intentions, and the recoverability of historic loans to subsidiaries. These judgements are permissible within the regulatory framework but increase exposure if assumptions are not realised.

IFRS 16 lease accounting has materially increased the reported capital financing requirement, primarily reflecting the temporary accommodation lease programme. While these obligations are funded through lease payments rather than borrowing and are appropriately excluded from affordability ratios, the scale of lease commitments increases long-term revenue rigidity and requires continued clarity in reporting to ensure decision-makers understand the distinction between economic debt and accounting presentation. The council remains compliant with accounting codes, and disclosures have improved, but the interaction between leases, capitalisation and affordability will require ongoing scrutiny.

Non-treasury investment risk is concentrated in the council's wholly-owned subsidiaries. Enfield holds £194.3 million at 30 September 2025 in loans; £141.9 million to a housing company HGL, and £52.4 million to Energetik, an energy company. Loan exposures are significant but currently serviced, and there are no commercial investments held for yield. The higher-risk exposure relates to the energy subsidiary, which is subject to an active strategic review supported by external advisors. The council has prudently established an expected credit loss reserve and initiated an internal impairment review, with further independent assurance commissioned. Governance arrangements for companies are improving, but the financial outcome remains contingent on strategic decisions yet to be taken.

Overall, the council is operating broadly within statutory guidance and best practice, with materially improved governance and control; however, the scale of judgement embedded in the MRP framework, the reliance on major project outcomes, and the exposure to subsidiary restructuring remain key financial risks that require continued senior oversight and transparent reporting.

Risks and Recommendations

Key Risk	Risk Rating	Recommendation
11. The Energetik or HGL loan exposures generate an Expected Credit Loss provision beyond the £1.9 million Energetik shareholder reserve.	4	11. Report to Cabinet and Audit Committee on the financial implications of the HGL and Energetik strategic review outcomes. **On strategic review conclusion**
12. The current MRP treatment of the council's pre-May 2024 non-commercial subsidiary loans does not survive review challenge.	4	12. Report annually to Cabinet and six-monthly to the Audit Committee on the judgement-intensive MRP provisions as a distinct item — Meridian Water, subsidiary loans, audit trail and model integrity. **Annual to Cabinet; six-monthly to Audit Committee**
13. The "technical assessment" principle for contested MRP judgements is not formally embedded in policy and audit-dialogue processes, leaving judgement-intensive provisions dependent on personal CFO stance.	1	13. Embed the "technical assessment" principle as an explicit feature of the next MRP policy statement and the audit-dialogue protocol with Grant Thornton. **Next MRP policy statement**

3.3 Review Area 3: Service Delivery, Reform and Transformation

Enfield Council is delivering core statutory services to a good standard while operating under sustained and significant financial pressure, with evidence of improving grip, strategic coherence and alignment to best practice. Adult Social Care and Children's Social Care are both externally rated 'Good', demonstrate effective cost control relative to market conditions, and have adopted credible transformation and sufficiency strategies rather than short-term mitigations. Homelessness and Temporary Accommodation services are being managed efficiently, with measurable cost reductions and innovative delivery models supported by strong external assurance.

Across all three areas, financial risks are clearly understood, monitored and reported, and service plans align with corporate priorities for prevention, demand management and financial sustainability. The principal challenge is not strategic direction but delivery pace and maturity: several reform programmes are still transitioning from design to implementation, and ongoing market volatility—particularly in nursing, dementia and children's placements—means that continued stress-testing, strengthened financial oversight and sustained leadership focus will be required to ensure planned reforms deliver benefits at the scale and speed necessary to maintain financial sustainability.

The following sections outline the basis of this assessment in more depth.

a) The efficiency and effectiveness of service delivery, including benchmarking against comparator local authorities, sector, and wider public sector metrics.

Key findings and analysis

Adult Social Care is operating under exceptional demand and cost pressures but is being managed with appropriate financial and operational grip. The service is one of the council's largest demand-led areas and a significant contributor to budget growth, driven by sharp increases in mental health caseloads, greater complexity within learning disabilities, rising hospital-discharge-led demand for older people, and increased dementia placements. Notwithstanding these pressures, Adult Social Care was rated **Good** in the December 2024 CQC inspection and, benchmarks favourably on unit costs across most care groups, and delivered material income over-achievement of £3.7 million in 2025–26. While in-year volatility persists, particularly in nursing and dementia care where market prices have exceeded assumptions, the service demonstrates effective day-to-day control and a clear understanding of its financial risks.

The Adult Social Care transformation programme is proportionate to the scale of the financial challenge and aligned with sector best practice. Its focus on right-sizing care packages, expanding in-house provision where the external market does not deliver value, increasing step-down and extra-care capacity, strengthening direct payments, and piloting technology-enabled casework reflects ADASS and CIPFA guidance. Several strands are already delivering quantifiable savings and cost avoidance, with the remainder subject to external review to test deliverability. The principal weaknesses relate to maturity rather than direction: the detailed action plan is still being finalised, preventive impacts are inherently difficult to evidence, and finance business-partnering is less embedded operationally than the scale of the service warrants. These are issues of execution rather than strategic intent.

Homelessness and Temporary Accommodation services demonstrate effective financial management and service innovation. Demand levels are among the highest in London, creating a structural funding gap outside the council's control. Within this constraint, the council has achieved a £4.7 million year-on-year cost reduction, exited the use of commercial hotels, improved placement speed through a Rapid Assessment and Resettlement Hub, and developed innovative approaches such as the Lease+ model and use of its wholly owned housing company to mitigate subsidy loss. External assurance is strong, with a **C1** rating from the Regulator of Social Housing, and scrutiny arrangements are active and effective. Overall, the service is operating efficiently relative to the environment it faces, with residual financial exposure clearly identified and transparently reported.

Children's Services and SEND present the most complex long-term efficiency challenge, but the council's response is coherent and aligned with national best practice. Children's Social Care is rated **Good** by Ofsted and has reduced the number of children in care, although remaining cases are more complex and costly, reflecting national market failure in placements. The strategy of expanding in-borough residential provision, block-booking specialist placements, and strengthening regional collaboration is consistent with DfE and ADCS guidance and represents a credible long-term cost-avoidance approach rather than a short-term response. In SEND, high EHCP demand and reliance on out-of-borough placements have driven a significant DSG deficit; however, the High Needs Stability Grant has materially improved sustainability. The reform programme—focused on in-borough provision, specialist school expansion, and targeted Speech, Language and Communication Needs interventions—is financially sound in principle, though delivery will take time and requires continued focus on Enfield's distinct SLCN cost and demand profile. Overall, service quality remains strong while financial sustainability is being addressed through structured, evidence-based reform rather than reactive cost-cutting.

Risks and Recommendations

Key risk	**Risk rating**	**Recommendation**
14. ASC unit-cost inflation in nursing and dementia continues to outpace the 2026-27 budget assumption, exposing the General Fund.	**9**	14. Conduct a mid-year stress test against the £19.3 million budgeted ASC growth assumption, identifying whether unit-cost inflation has remained within budget tolerance, and report the outcome to EMT and the Safer and Healthy Communities Scrutiny Panel. **Immediate**
15. The placement market continues on its current trajectory of double-digit annual price growth, the £6 million of Children's Services growth in the 2026-27 budget proves insufficient,	**9**	15. Conduct a mid-year stress test against the £6 million budgeted Children's Services growth assumption, identifying whether placement price growth has remained

and the General Fund is exposed against the £34.5 million residual MTFP gap.		within budget tolerance, and report the outcome to EMT and the Thriving Children and Young People Scrutiny Panel. **Immediate**

b) Assessment of the extent to which the council's service delivery model particularly in adult social care and children's services reflect current best practice and guidance on service effectiveness and efficiency.

Key findings and analysis

Enfield Council's service delivery models across Adult Social Care, Homelessness and Temporary Accommodation, and Children's Services and SEND broadly reflect current best practice and national guidance on effectiveness and efficiency, particularly given the scale and intensity of demand pressures. In Adult Social Care, delivery is consistent with the Care Act 2014 and aligned with ADASS and CIPFA principles, combining strong in-house statutory functions with market-based provision and targeted internal delivery where value for money is demonstrably stronger. The service's Good CQC rating, favourable unit-cost benchmarking in most care groups, and effective income-maximisation arrangements indicate that quality and efficiency are being balanced appropriately within a challenging market context.

The Adult Social Care transformation programme reflects recognised best-practice approaches to demand management and cost control, including right-sizing care packages, investing in step-down and extra-care capacity, strengthening direct payments, and selectively bringing services in-house where the external market fails to deliver value. The use of technology-enabled monitoring and exploration of AI-assisted casework is consistent with emerging sector practice, although these elements are less mature and benefits are not yet fully realised. External review and assurance of the transformation programme demonstrate appropriate use of specialist expertise. The main gap against best practice relates to pace and maturity of implementation rather than strategic direction, with the detailed action plan still being finalised and not yet reported through formal scrutiny.

In Homelessness and Temporary Accommodation, the council's service model aligns well with CIPFA and LGA guidance on prevention-first and rapid rehousing approaches. The hybrid delivery model—combining in-house statutory leadership, use of a wholly owned housing company, and private-sector procurement—demonstrates innovation and relative efficiency in mitigating subsidy loss. The withdrawal from commercial hotel use, deployment of the Rapid Assessment and Resettlement Hub, and development of the Lease+ model go beyond conventional practice in some areas and have delivered measurable cost avoidance. External assurance outcomes, including a C1 rating from the Regulator of Social Housing, support the view that the model is effective relative to the operating environment.

Children's Services and SEND delivery is also broadly aligned with national guidance from DfE, ADCS and the National Audit Office, particularly in responding to placement market failure through expansion of in-borough provision, block-booking specialist capacity, and regional collaboration. The Placement Sufficiency Strategy provides a coherent framework for long-term cost avoidance rather than short-term savings. In SEND, the council's focus on increasing in-borough provision, developing specialist schools and targeted Speech, Language and Communication Needs interventions reflects recognised best practice, although delivery timescales are long and financial benefits will accrue gradually. Overall, Enfield's service delivery models are strategically sound and evidence-based; the principal challenge lies in managing implementation lag and sustaining efficiency gains while operating within markets and funding systems that limit local control.

Risks and Recommendations

Key risk	Risk rating	Recommendation
16. The council does not select an SLCN delivery model in the 2026-27 budget cycle, foregoing the largest single Enfield-specific SEND cost-avoidance opportunity.	4	16. Select one of the three SLCN model options under consideration and present a decision to Cabinet in the 2026-27 budget cycle, with cost, demand and outcome targets to allow forward measurement. **By 2026-27 budget cycle**

c) Identification of opportunities to reform - transform delivery in these areas to support both improved outcomes and manage financial pressures.

Key findings and analysis

Across Adult Social Care, Homelessness and Temporary Accommodation, and Children's Services and SEND, there are clear opportunities to strengthen and accelerate transformation to improve outcomes and mitigate financial risk. In Adult Social Care, while the strategic direction aligns with best practice, greater pace and coordination in delivery are required. In particular, there is scope to accelerate demand-management interventions such as right-sizing care packages, expanding step-down and extra-care provision, and embedding technology-enabled casework at scale. Strengthening finance business-partnering at operational level, including consistent finance presence at placement panels and frontline forums, would further support timely decision-making and improve control over high-cost placements and emerging demand pressures.

In Homelessness and Temporary Accommodation, the council has demonstrated innovation, but further transformation opportunities remain. The forthcoming Homelessness Strategy provides a clear opportunity to set measurable targets for prevention, throughput and cost avoidance, ensuring that service-led reform complements the council's advocacy for legislative change. In particular, there is scope to expand and formalise the Rapid Assessment and Resettlement model, optimise the Lease+ approach, and better integrate the use of regeneration voids and short-life accommodation into a coherent temporary accommodation pipeline. These measures could further reduce reliance on high-cost nightly-paid accommodation and moderate the call on General Fund subsidy over time.

Children's Services and SEND present the most significant medium- to long-term opportunity for transformation, given the scale of placement costs and EHCP demand. Continued investment in in-borough residential provision, block-booked specialist placements and regional collaboration is consistent with national guidance and offers the most credible route to cost avoidance. In SEND, the council has a particular opportunity to address its distinctively high Speech, Language and Communication Needs (SLCN) demand and cost profile. Selection and implementation of one of the proposed SLCN delivery models would represent a targeted intervention with the potential to deliver both improved outcomes and meaningful financial benefit, alongside continued expansion of special resource provisions and designated units.

Finally, there is a cross-cutting opportunity to strengthen corporate coordination of transformation activity. Several reform themes recur across services, including prevention-first design, in-house provision where markets fail, use of digital and AI tools, and improved management of transitions between Children's and Adult Services. Ensuring these strands are overseen through a single corporate transformation framework, with consistent performance metrics and scrutiny reporting, would reduce fragmentation, improve delivery confidence and help the council realise cumulative benefits. The primary opportunity is therefore not to change strategic direction, but to increase pace, integration and assurance so that reform activity delivers outcomes and financial benefits at the scale and speed required.

Risks and Recommendations

Key risk	Risk rating	Recommendation
17. The £2 million transformation element of the 2026-27 ASC savings package is not delivered, ASC falls back into overspend, and the £1.45 million corporate deliverability adjustment is partly consumed by ASC alone.	**2**	17. Present the ASC transformation programme to the Safer and Healthy Communities Scrutiny Panel during 2026 once the CO31-supported action plan is complete. **During 2026**
18. The reform programme's cost-avoidance benefits land later than the demand pressure they are designed to absorb, with a widening interim financial exposure.	**6**	18. Surface the demand-vs-absorption gap in the quarterly Children's Services revenue monitoring report alongside the reform programme's cost-avoidance metrics. **Quarterly, from 2026-27**

d) A view on the extent to which service plans are aligned to the local authority's strategic priorities and financial sustainability, the effectiveness of service areas in responding to financial pressures, and whether financial management and sustainability is embedded within service area practices and culture.

Key findings and analysis

Overall, Enfield's service plans demonstrate a clear line of sight to the council's strategic priorities and acknowledge explicitly the need to support financial sustainability alongside service quality. Across Adult Social Care, Homelessness and Temporary Accommodation, and Children's Services and SEND, service strategies are framed around prevention, demand management, and reduced reliance on high-cost external provision, which aligns with the council's wider corporate objectives and medium-term financial strategy. The consistent emphasis on in-borough provision, step-down capacity, early intervention and regional collaboration reflects a shared strategic narrative rather than isolated service-level responses.

Service areas have shown a generally effective response to financial pressures, particularly where risks are externally driven and not fully within the council's control. Adult Social Care has balanced rising demand and market volatility with income maximisation, unit-cost control and targeted transformation activity. Homelessness services have responded robustly to a structurally adverse funding environment by redesigning delivery models to reduce cost, improve throughput and mitigate subsidy loss, while being transparent about the residual requirement for General Fund support. In Children's Services and SEND, the council has shifted from reactive cost management to a longer-term sufficiency and cost-avoidance approach, underpinned by capital investment and reform programmes consistent with national guidance.

Financial management and sustainability are increasingly embedded within service practices, though with some variation in maturity. Monthly financial reporting to the Executive Management Team, routine engagement with scrutiny panels, and clearer articulation of demand and cost drivers indicate that financial considerations are now integral to service leadership and decision-making. In Adult Social Care and Homelessness, service leaders demonstrate strong financial literacy and ownership of budget risks. In Children's Services and SEND, governance and financial oversight have strengthened, particularly through the establishment of dedicated boards and enhanced finance roles, although interim volatility remains.

However, while strategic alignment is strong, the pace of embedding remains uneven. Several transformation plans are relatively recent and still moving from design into delivery, with detailed action plans and scrutiny reporting not yet fully established in all areas. Preventive impacts are more difficult to evidence than direct savings, and finance business-partnering at operational level is less embedded than would be expected given the scale of financial risk. In summary, Enfield's service plans are well aligned with strategic priorities and the imperative for financial sustainability, and service areas are responding constructively to pressure; the principal challenge is to sustain momentum and embed financial discipline consistently so that planned reforms deliver benefits at the scale and speed required.

Risks and Recommendations

Key risk	Risk rating	Recommendation

19. ASC demand pressure exceeds budgeted growth in 2026-27 because of continuing cross-border placement, hospital-discharge and dementia volume trends.	**6**	19. Surface ASC volume drivers — cross-border placement counts, hospital discharge proportion, and dementia placement numbers — in the quarterly revenue monitoring report alongside ASC outturn against budget. **Quarterly, from 2026-27**
20. ASC financial monitoring lacks the granular operational visibility that physical finance presence at placement panels and operational forums would provide.	**4**	20. Agree and implement a strengthened finance business-partnering operating model for the demand-led services (ASC and Children's), with physical finance attendance at placement panels and operational forums, reported to EMT. **During 2026-27**

e) A consideration of the effectiveness of the chosen approach in delivering services (i.e in house or external). This should include a consideration of how the operation of the procurement functions is geared towards effective service delivery, including overall management of the pipeline, capacity and capability of officers, the adequacy of the processes and culture and attitude towards procurement.

Key findings and analysis

Across Adult Social Care, Homelessness and Temporary Accommodation, and Children's Services and SEND, Enfield Council has adopted predominantly hybrid service delivery models that combine in-house provision with externally procured services. This approach broadly reflects current best practice, recognising that neither full in-house delivery nor full outsourcing would be effective given the scale of demand, market conditions and statutory responsibilities. In Adult Social Care and Children's Services, the council has deliberately increased in-house provision where external markets have failed to deliver value or quality, while continuing to rely on external providers for scale and specialist capacity. In homelessness and temporary accommodation, the combination of in-house statutory leadership, use of a wholly owned company, and private-sector procurement has enabled flexibility and cost mitigation in a highly constrained housing market.

The effectiveness of these delivery models is closely linked to the council's approach to commissioning and procurement. In Adult Social Care, the annual fee-setting process is robust and evidence-based, and has generally constrained unit-cost inflation, although it has been less effective in nursing and dementia care where wider market pressures dominate. In Children's Services, procurement decisions to block-book specialist provision, invest in in-borough residential capacity and participate in regional frameworks align with national guidance and represent a shift from reactive spot-purchasing to more strategic commissioning. In homelessness services, procurement has been used actively as a service-delivery lever, including through longer-term leases, incentive-based arrangements and withdrawal from high-cost hotel use, which has delivered material cost reduction.

Procurement capacity and capability appear broadly sufficient to support current delivery models, with evidence of proactive pipeline management in high-risk areas such as temporary accommodation and residential care. Officers demonstrate a pragmatic understanding of market dynamics and a willingness to adapt procurement approaches where traditional methods are ineffective. The culture towards procurement is generally enabling rather than compliance-only, with procurement used as a strategic tool to shape markets and manage demand. However, the complexity of the operating environment means that procurement alone cannot eliminate financial risk, and delivery remains sensitive to market availability, provider behaviour and national policy constraints.

Overall, the council's chosen mix of in-house and externally delivered services is appropriate and effective relative to the challenges it faces. Procurement is sufficiently embedded within service delivery to support efficiency and outcomes, particularly where it is closely integrated with commissioning and transformation activity. The principal risks lie not in the design of delivery models or procurement processes, but in execution at pace and scale, and in sustaining sufficient internal capacity to manage complex provider relationships and delivery pipelines over the medium term.

Risks and Recommendations

Key risk	Risk rating	Recommendation
None identified.		None identified.

3.4 Review Area 4: Governance, Culture and Leadership

Enfield Council has established a sound and appropriate governance and leadership framework, with clear schemes of delegation, stable political and senior officer leadership, and a Constitution aligned to recognised CIPFA/SOLACE good-governance principles. Strategic direction is clearly articulated through the Council Plan and is increasingly aligned with the Medium-Term Financial Plan, supported by structured assurance and resilience arrangements. The council demonstrates openness to challenge, constructive working relationships between Members and officers, and a strong track record of engaging with external scrutiny and sector support. However, the effectiveness of governance is constrained by uneven embedding at operational level, particularly in the consistency of in-year financial scrutiny, the maturity of performance reporting against strategic principles, and the alignment between internal self-assessment and external audit findings. While leadership shows a clear grasp of risks and recovery actions, and the organisational culture is generally open and improvement-focused, sustained attention will be required to strengthen scrutiny, embed financial discipline consistently, and ensure early warning signals are identified and acted upon promptly as the council navigates ongoing financial risk and transformation.

The following sections outline the basis of this assessment in more depth.

> ***a) The adequacy of the local authority's decision making processes including presence / absence of clear schemes of delegation, scrutiny arrangements, quality of council papers and whether there is a clear understanding of governance arrangements across all levels of the authority. This should include a view on the effectiveness of the adopted governance model and whether it is suitable to drive the right outcomes for the area.***

Key findings and analysis

The council operates a clear and conventional governance model, based on the Leader and Cabinet system, underpinned by a Constitution aligned to the CIPFA/SOLACE *Delivering Good Governance* Framework. Statutory officer roles are properly separated, and Financial Regulations are comprehensive, explicitly addressing financial sustainability through requirements for balanced budgets, adequate unallocated reserves, multi-year financial planning, a ten-year capital programme and compliance with prudential indicators. The Scheme of Delegation is clear, reserving material decisions to Cabinet and Council, with a £500,000 Key Decision threshold, and recent work has been undertaken to review departmental delegations and strengthen budget-holder understanding. Overall, the formal decision-making framework is sound and appropriately designed to support effective governance.

The reconfiguration of the General Purposes Committee into a CIPFA-aligned Audit Committee represents a significant improvement in the council's assurance and financial control arrangements. However, this reform does not in itself address the need for timely, forward-looking Member challenge of executive decision-making. In line with CIPFA guidance and the council's own Constitution, the roles of audit and scrutiny are distinct:

audit provides retrospective assurance, while scrutiny is responsible for real-time oversight of financial performance, savings delivery, reserves and capital decisions. The effectiveness of the governance model therefore depends not only on the robustness of audit arrangements, but also on the strength of Member-level scrutiny.

The council's decision to consolidate cross-cutting financial scrutiny within the Overview and Scrutiny Committee (OSC) following the 2024 review was constitutionally coherent and aligned with best practice. However, the practical effectiveness of this arrangement depends on the committee's capacity to give sustained attention to financial matters alongside its wider coordinating role. Our review of the 2024-25 OSC Work Programme identified a gap between the committee's formal remit and its operational delivery during the transition year, with several standing financial scrutiny items—such as quarterly revenue and capital monitoring, treasury management updates, reserves strategy and company performance—absent from the programme.

In summary, the council's governance architecture, schemes of delegation and constitutional arrangements are appropriate and capable of supporting effective decision-making. There is a clear understanding at senior officer level of governance roles and responsibilities, and the adopted model is suitable to drive improved outcomes. However, the effectiveness of the overall framework is constrained by the current operation of scrutiny, particularly in relation to in-year financial oversight. Strengthening the consistency and visibility of financial scrutiny within the OSC will be critical to ensuring that Members are able to provide timely challenge and support informed decision-making as the council navigates ongoing financial risk and transformation.

Risks and Recommendations

Key risk	Risk rating	Recommendation
21. In-year financial scrutiny by the OSC remains thin, weakening Member-level assurance over the financial recovery programme.	**2**	21. Embed quarterly revenue and capital monitoring, Treasury mid-year reporting, the Reserves Strategy and a companies session as standing OSC Work Programme items. **From 2026-27 Work Programme**

b) The presence / absence of a clear, outcome orientated, measurable and performance driven strategic direction for the local authority and whether this is clearly set out through alignment of the key strategy documents (Corporate / Strategic Plan, Annual Governance Statement and Medium Term Financial Plan). This should include an assessment of the extent to which the strategic direction of the local authority is present throughout operational implementation or whether it exists in 'name only'.

Key findings and analysis

The council's strategic direction is set out in the Council Plan 2023–26 Investing in Enfield, articulating five overarching priorities and five underpinning principles — one of which is explicitly Financial Resilience. Subsidiary service strategies were adopted during the review period and the emerging Local Plan to 2041 is at the second stage of examination.

Alignment between the Council Plan and the Medium Term Financial Plan has been a live issue since the 2022 CIPFA Financial Management review and the 2022 LGA Corporate Peer Challenge. The 2023-24 AGS recorded an improvement action to "clearly link our Medium-Term Financial Plan to our new Council Plan"; the 2024-25 AGS treats this as ongoing, supported by the Transformation Board programme covering current-year stabilisation, forward-year savings, and longer-term transformation. The LGA Corporate Peer Challenge follow-up of November 2023 recorded good progress.

A layered performance management framework operates at officer level (SMT, DMT and consolidated EMT reporting against the Council Plan priorities), with indicator data on the Pentana platform, characterised as "a little bit clunky" in requiring data to be pulled out separately. Outcome measurement against the five Council Plan principles — particularly Financial Resilience — is reported to Members through the quarterly performance report to Cabinet, within its appendices, rather than as a standalone single-view summary, and the 2024-25 OSC Work Programme contained no standing item on performance against the principles.

The Council Plan covers the period 2023–26. A refresh or successor plan will need to be prepared against a backdrop of local elections in May 2026, the conclusion of the Local Plan examination, and the council's response to the Section 24 statutory recommendation.

In summary, the council's strategic direction is articulated and aligned at policy level with the MTFP through the Transformation Board programme, with Financial Resilience one of five underpinning principles of the 2023–26 Council Plan, tracked through the Improvement Plan. A layered officer-level performance framework operates against the Plan, with performance against the five principles reported to Members within the quarterly performance report to Cabinet, though not as a consolidated single-view summary. The forward question of a refresh or successor Council Plan, against the May 2026 elections and the conclusion of the Local Plan examination, is a watching point: it is not yet timely but should sit explicitly within the Improvement Plan once the post-election position is settled.

Risks and Recommendations

Key risk	Risk rating	Recommendation
None identified.		None identified.

c) A view on the effectiveness of local authority leadership including the stability of senior leadership, their ability to work effectively together, set and communicate a clear vision and set of priorities for the local area, as well as their ability to lead the delivery of those priorities (as set out in key strategy documents) through the fostering of a cohesive organisation built on cooperation, trust and respect.

Key findings and analysis

Leadership at political level has been stable over the review period. The council's response to the Section 24 statutory recommendation was debated at Full Council in November 2025 and the political leadership has owned the response visibly through the period leading up to the May 2026 local elections.

In interview with the review team, the Chief Executive and the Chief Finance Officer both demonstrated a clear and detailed grasp of the council's performance and financial position, including the substantive risks identified in this report, and articulated a coherent approach to managing the recovery. Their accounts were consistent with each other and with the documentary record.

The Assurance Board is the principal cross-statutory-officer forum for assurance matters; The 2023-24 AGS records that monthly meetings between the Monitoring Officer and the Chief Executive on high-level governance issues were in place. These arrangements are appropriate to the council's risk profile.

The May 2026 local elections will produce a new Council and may produce a new Administration; member training and development is in the Improvement Plan for delivery by July 2026. The scope will matter, particularly for incoming members, and should include explicit briefing on the financial position, the Section 24 statutory recommendation and remediation plan, debt, MRP, company governance and the role of the Audit Committee. Established leadership development activity, including the cross-council Mentor Connect Programme, provides a base on which the induction can build.

In summary, political leadership has been stable across the review period. At officer level, leadership has stabilised over the same period - most materially in the finance function, where the Chief Finance Officer post and both Deputy Section 151 posts are now permanently filled. The senior officer team has documented forums for cross-cutting engagement (the Assurance Board; monthly Monitoring Officer / Chief Executive meetings), and the Chief Executive and Chief Finance Officer demonstrated in interview a clear, shared grasp of the council's position and the actions required.

Risks and Recommendations

Key risk	Risk rating	Recommendation
22. The post-May 2026 Member induction programme does not bring incoming Members up to speed quickly enough on the financial recovery programme.	4	22. Cover the council's financial position, the Section 24 response, debt and MRP, company governance and the Audit Committee role in the July 2026 Member induction, with a refresher for Cabinet at six months. **Immediate; refresher after six months**

d) A view on the working culture and working relationships across all levels of the council including between political and officer leadership, and senior officers and junior staff. The local authority's capacity and capability improve and transform to secure continuous improvement at an operational level (i.e. sufficient expertise, staff etc.) and at a cultural level (i.e. acknowledgement of problems, openness to constructive criticism and change including inviting external challenge and scrutiny, delivery with local partners, and collaboration with sector support), and a view on the local authority's ability to identify early warning signs and take action to address potential failures at the earliest opportunity.

Key findings and analysis

The council's working culture is underpinned by a generally constructive relationship between political leadership, senior officers and the wider organisation, with evidence of active engagement and challenge at Member level. The Annual Governance Statement for 2024–25 concluded that governance arrangements were robust and fit for purpose, and Members have demonstrated willingness to interrogate assurance reports, most notably through challenge at the General Purposes Committee and Audit Committee in October 2025 and January 2026. While there is a professional disagreement with the external auditor regarding the characterisation of governance weaknesses during 2024–25, this reflects a difference of judgement rather than a lack of engagement, and senior officers have articulated their position clearly and transparently in public forums.

The council shows a strong cultural openness to external challenge and sector support, which is a material strength. It has consistently commissioned and participated in independent reviews, including LGA Corporate Peer Challenges, CIPFA reviews, an External Quality Assessment of Internal Audit, and regulatory and Ombudsman engagement. The decision by the Chief Executive to bring forward a further Corporate Peer Challenge to November 2026 demonstrates a proactive approach to testing organisational culture, leadership and the effectiveness of post-Section 24 arrangements. This willingness to invite scrutiny and learn from external perspectives supports the council's capacity to improve and transform at both operational and strategic levels.

At an organisational level, there is evidence of sufficient professional capability and expertise to identify and respond to emerging issues, although delivery capacity remains stretched in some areas. The council has acknowledged control weaknesses, such as below-threshold procurement compliance, and treats these as matters of awareness and discipline rather than systemic failure. Importantly, such issues are actively monitored, reported and challenged, indicating a culture that accepts imperfection but seeks improvement. Collaboration with partners and engagement with external bodies further supports service delivery and organisational learning.

In terms of early warning and response, the council's arrangements are developing but not yet fully mature. The adoption of a new Orange Book-based Risk Management Strategy in April 2025 reflects a conscious effort to strengthen risk identification and escalation, although the transition period contributed to differing interpretations of governance robustness. Overall, the council demonstrates an ability to recognise problems, engage constructively with challenge and take corrective action. Sustaining this culture—particularly through consistent risk reporting, clear alignment between internal and external assurance, and continued openness at all levels—will be critical to securing continuous improvement and addressing potential failures at the earliest opportunity.

Risks and Recommendations

Key risk	Risk rating	Recommendation
23. The AGS operates as a self-assessment in isolation from the external auditor's findings.	**4**	23. Reconcile the 2025-26 AGS to external audit findings, and embed this in subsequent AGSs. **From 2025-26 AGS**

Annex

A1 Required Analysis and Method

Areas for Investigation

The review addressed the four areas set out in the MHCLG commission: (1) quality of financial management and financial processes; (2) financial sustainability and risk; (3) service delivery, reform and transformation; and (4) governance, culture and leadership. Each area carries the detailed sub-criteria specified in the commission. To avoid duplication, the full text of each criterion is reproduced at the head of the relevant sub-section in the body of this report (Review Areas 3.1 to 3.4), where it is set against the corresponding findings, analysis and recommendations.

Methodology

In our approach, we were mindful of the four broad areas for review, and the specific areas of focus, as set out above. The approach taken comprised the following elements:

Desktop analysis

MHCLG provided background material, which we reviewed alongside a significant number of documents and records shared by the council and relevant comparator material (listed in Annex A3). We thank officers for their ready compliance with our requests. The team has analysed a significant number of documents together with other records that have been shared by the council as being relevant for the review. A list of documents reviewed is shown in Annex A3. We also examined relevant comparator material. We would like to record our thanks to officers for their ready compliance with our request for reports and data.

Specialised inputs

Comparative data analyses on revenue spend and indebtedness were undertaken by CIPFA using published RA and RO data, with service-performance data from the council's own surveys and LG Futures.

Interviews

The bulk of the fieldwork comprised interviews, which provided the triangulation of our analysis. Council officers at senior and junior levels, members, auditors and other experts were invited to give views and respond to queries provoked by documentary evidence. A list of interviewees is shown in Annex A4. A list of interviewees is shown in Annex A4.

The above inputs were then analysed and subjected to our professional and expert judgement. The result is this report.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review. It is not a comprehensive audit of the council's finances or its governance arrangements. Consequently, the conclusions do not constitute an opinion on the status of the council's financial accounts. Our review of the council's Minimum Revenue Provision (MRP) considers the reasonableness of the council's MRP policy and does not constitute an audit of the full application of the policy. Similarly, our review of the council's productivity does not constitute an audit of the council's productivity plan but represents an overview of the arrangements in place to consider productivity and take account of any publicly available information on historic or relevant performance.

The information and data within this report are accurate as at the time of the initial data gathering and interviews that took place in April 2026, and unless otherwise stated reflect the position at that time.

CIPFA's review team consisted of an experienced finance consultant and relevant technical expertise. CIPFA thanks the council for its openness and the considerable effort expended in collating and sharing key documents, on what is a sensitive issue for the council.

A2 Risk Assessment – Method

Likelihood \ Impact	Critical:3	Moderate:2	Marginal:1
Probable:3	High - 9	High - 6	Medium - 3
Occasional:2	High - 6	Medium - 4	Low - 2
Improbable:1	Medium - 3	Low - 2	Low - 1

Likelihood:

- Improbable – possible, but unlikely to happen.
- Occasional – might happen, might not happen, in the order of 50/50
- Probable – most likely will happen.

Impact:

- Marginal – some minor, possible minor operating difficulties largely contained within the council, some awareness / action may be required by members.
- Moderate – notable financial and operational impact/ losses / costs operating impacts hitting services for some of the community, a significant issue for members to deal with
- Critical – major operating impact/ financial losses / costs requiring subsequent intervention by MHCLG or other 3rd parties, reaches national press interest, major political embarrassment for members.

A3. Documents Reviewed

The review drew on the following documents. Where a date or year is shown, it identifies the specific version reviewed; where multiple versions were considered, both are listed.

Strategic and corporate planning: Constitution (Parts 1–6) and Code of Governance; Council Plan 2023–26; Improvement Plan (eighteen workstreams); Climate Action Plan 2024; Local Plan to 2041; and the Fairer Enfield equalities strategy.

Financial strategy and management: Medium Term Financial Plan 2026-27–2029-30 and supporting analysis; Capital Strategy and ten-year capital programme (2025-26 and 2026-27); Treasury Management Strategy Statements (2025-26 and 2026-27) including MRP and Investment Strategy appendices; Treasury Management Outturn 2024-25 and Mid-Year Q2 2025-26; Reserves Strategy 2026-27; the Section 25 Statement for 2026-27; and Financial Regulations including the Financial Sustainability section.

Governance and assurance: Annual Governance Statements 2024-25 and draft 2023-24; the Risk Management Strategy (revised April 2025, Orange Book-based); the Corporate Risk Register cycle and reporting protocols; Counter Fraud Strategy and Response Plan 2025–2028; the Company Governance Framework (in preparation); and Officer Steering Board, Member Shareholder Panel and Data Compliance Strategy Board terms of reference.

External audit and external review: Grant Thornton Annual Auditor's Report 2024-25 (25 February 2026), the Section 24 statutory recommendation (November 2025) and 2023-24 Value for Money work; CIPFA Phase 1 MRP Review (February 2025); LGA Corporate Peer Challenge (2022, follow-up 2023); CIPFA Financial Management Review (2022) and General Purposes Committee Effectiveness Review (January 2023); CIIA External Quality Assessment (February 2025); and Statement of Accounts 2023-24 (with the disclaimed audit position from 2019-20).

Internal audit: Internal Audit Annual Report 2024-25 (July 2025); the Internal Audit Charter and Plan; reports referenced under specific Review Areas (procurement compliance; Members' Ethics, February 2023; ASC debt collection); and the Six-Month Update on Key Recommendations.

Cabinet, committee and panel papers: Cabinet papers across the review period (including 9 March 2026, Placement Sufficiency); Audit Committee papers (including 28 January 2026); General Purposes Committee papers (including 22 October 2025, procurement waivers); Overview and Scrutiny Committee work programmes 2024-25 and 2025-26; Finance and Performance Scrutiny Panel papers (16 January 2024) and successor panel papers; Corporate Parenting Board papers; and the Thriving Children and Young People scrutiny work programme.

Service-area documents: Adult Social Care Market Position Statement and commissioning frameworks; the CQC inspection report (December 2024); Housing and Growth Strategy 2025–2030; Housing Assurance Framework and Regulator of Social Housing self-assessment; SEND Partnership Strategy 2023–2027; Placement Sufficiency Strategy 2024–2029; Families First Partnership Plan; and High Needs Block DSG Stability Grant claim and DSG Board materials.

Other documents and correspondence: Exceptional Financial Support correspondence with MHCLG (2024-25 and 2025-26 applications; 2026-27 non-application); the Housing

Infrastructure Fund grant agreement and Meridian Water correspondence; the council's response to the Section 24 recommendation; Contract Procedure Rules (revised February 2025), Annual Procurement Plan and Procurement Pipeline; the CIPFA Financial Management Code (2019, revised 2024); Public Sector Internal Audit Standards and the CIPFA governance code; MRP statutory guidance (5th Edition, April 2024); and the Local Authorities (Capital Finance and Accounting) Regulations.

A4 Staff Interviewed

The review team conducted interviews with the following officers of London Borough of Enfield during the review period:

Chief Executive; Chief Finance Officer (Section 151 Officer); Director of Finance (Corporate); Director of Finance (Capital and Commercial); Head of Financial Strategy; Head of Internal Audit; Director of Law and Governance (Monitoring Officer); Strategic Director Housing and Regeneration; Director of Property; Director Children's Social Care; Director Health and Adult Social Care; Executive Director People; Director Enabling Services; and Head of Policy, Projects and Improvements.

The review team also met with Grant Thornton UK LLP) as the council's external auditor.

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