

CORPORATE COMMITTEE MINUTES

Thursday 27 January 2022 at 6.00 pm

Committee Room (B6) - Lambeth Town Hall, Brixton, London, SW2 1RW

Members Present: Councillor Scott Ainslie, Councillor David Amos (Chair), Simon Blakeney (Independent Member), Councillor Kevin Craig (Substitute) and Councillor Peter Ely

Apologies: Councillor Linda Bray and Councillor John Kazantzis

Also present online: Councillor Adrian Garden (Observer)

1 Declaration of Pecuniary Interests

There were none.

2 Minutes

In the minutes of the meeting held on 02 December 2021, the wording of;

- Item 7, bullet point 5 was changed to read 'To liaise with officers from the Highways department, to identify why Lambeth officers instructed contractors to sort out drains when it was work that should have been completed free by Thames Water. In addition, an audit was suggested to claim back money and for lesson learned to be identified in order to stop the issue being repeated. It was noted that the Lambeth Homeowners association had previously contacted a Lambeth officer in relation to this.'
- Item 8, bullet point 3 was a meeting that had been requested by the committee. This was changed to read 'The existing banking relationship was with NatWest and a further meeting which was requested by the committee would take place outside of this meeting in order to review a bank with a higher Environmental, Social and Corporate Governance (ESG) rating.'
- Item 9, to include a bullet point to read, 'One of the members pointed out that the second quarter of the Housing Ombudsman had put Lambeth in the top five housing providers for non-compliance in regard to handling complaints.'
- Item 10, to remove the word unanimously on the request of one member.

RESOLVED: That, subject to the above amendments, the minutes of the previous meeting held on 02 December 2021 be approved as a correct record of proceedings.

3 Work Programme and Action Monitoring Log

Chloe Morris, Democratic Services Officer, provided a brief update which included the outstanding actions on page 19 of the agenda. It was noted that since publication two further actions had been completed.

It was recommended that the outstanding contract management action should be updated to identify that it was on hold due to current legal proceedings.

In addition, since the previous meeting and through further correspondence, a previous action in relation to an objection which had been marked as completed was still outstanding. Democratic Services would add this back onto the action log. Furthermore, in the previous meeting “it was explained that this was not related to any of the three 2018-19 objections”. However, it had been confirmed since the 02 December 2021 meeting that the objection was related to major works carried out by Lambeth.

The Chair informed the committee that the Cabinet Member for Jobs, Skills and Community Safety and that relevant officer had been invited to the 31 March Corporate committee for the risk register item.

RESOLVED:

1. To note the Corporate Committee’s work programme for 2021-22 (Appendix A).
2. To note the Corporate Committee’s actions monitoring log (Appendix B).

4 External Audit Procurement Options 2023/24 to 2027/28

Christina Thompson, Director of Finance and Property introduced the report and responded to members questions and comments as follows:

- The Public Sector Audit Appointment (PSAA) was aware of current auditor issues and Lambeth had been reassured that the tender process would focus on quality;
- The Chartered Institute of Public Finance Accountancy (CIPFA) had also been part of discussions and had made clear that as part of the quality criteria, timeliness of audits was essential and that training would be provided to auditors;
- An outstanding issue was the regulation for Local Government to finish statements of accounts by a statutory date but there were no statutory set dates for completion of audits;
- PSAA were aware of the Tony Redmond report on audit and would take into consideration the issues and questions that were raised in that report;
- Going forward there would be a new organisation with responsibility for local government audit which was a recommendation from the Tony Redmond report;
- If Lambeth were to go through this process independently there would still be the same number of firms available to tender, Lambeth could not influence this amount;
- Any concerns on the quality of an auditor would need to be referred to PSAA, as well as the Financial Reporting Council (FRC), who regulated auditors.
- Lambeth had anticipated that audit fees would increase due to inflation as did the government, who recognised some of these increases were also due to regulations on audits set by FRC which had led to an increase of work which were not present when original fee rates were set. Therefore, grants would be provided to local government in order to cover some of the increase;

- PSAA would need to be provided with detailed reasonings on any increase on fees.

RESOLVED:

1. Corporate Committee considers the report and options appraisal for the procurement of external auditors set out in the report and recommend the proposed procurement route to Full Council.
2. Corporate Committee recommends to Council to delegate authority to the Director of Finance and Property to respond to the invitation from the PSAA and take the necessary steps to finalise the appointment itself following the PSAA procurement process.

5 Calculation of Council Tax Base and National Non-Domestic Rates Return (NNDR) 1 2022/23

Christina Thompson, Director of Finance and Property introduced the report and highlighted that:

- The collection rate was significantly lower during the 2019-20 and 2020-21 financial years due to COVID. The 96.5% for 2021-22 reflected current experience and pre-pandemic was at a similar rate;
- As a result of COVID a lot of individuals went onto benefits which included council tax support. However, the number of those eligible had now reduced;
- The consultation that was referred to in paragraph 2.5 of the report was a general consultation which went out to every Lambeth resident. The results would be published on 28 January 2022 and presented at Cabinet on 07 February 2022;
- The Council had removed the 20% liability on council tax for those on council tax support therefore, those eligible would now receive a 100% discount.
- The maximum empty home premium was being applied where possible. Conditions to be met were set by the Local Government Finance Act 2012;
- Vacant and unfurnished dwellings would not be offered discounts as set out on table 2.11;
- The member enquiry that was raised on income maximisation would be dealt with through the member enquiry process;
- Council tax collected by direct debit was in a separate monitoring report which typically would attend cabinet. This report was to set council tax base;
- Corporate Committee were able to agree the recommendations set out on page 37 as it was a sub-committee of Full Council.

The Chair requested that a sentence was incorporated into the report to make it clear that the 96.5% collection rate was based upon current experience, which would provide clarity and assurance to members of the public.

RESOLVED unanimously;

1. To approve the calculation and the amount calculated as the Council Tax base for the year 2022/23 at 111,161 (110,872 in 2021/22) as set out in appendix 1(b).
2. To approve the schedule of discounts and premiums in paragraph 2.11, which remains unchanged.
3. To note that the changes to the Council Tax Support Scheme which are due to be adopted from 01 April 2022, are captured within the adjustments made to

reach the recommended Council Tax Base within this report.

4. To delegate authority to the S151 Officer, the Director of Finance and Property to finalise and approve the NNDR1 form setting out the business rate tax base.

6 External Quality Assessment November 2021

Justin Martin, Chief Audit Executive, introduced the report and highlighted that Lambeth's External Quality Assessment (EQA) was one of the best he had seen. In response to members questions it was stated that:

- At present the service was more agile than it was six years ago, the implementation rate demonstrated that;
- The term 'generally conforms' within the tables from page 53 onwards was the highest standard and the reason for the apparent difference in this term on table 53 was because the exercise was based on interviews;
- The review had been performed by a Head of Audit from another Local Authority, who said that responses received were positive, therefore those who were marked as 'do not agree' or 'partially agree' on page 66 of the report were likely to have been isolated commentaries;
- Lambeth was a compliant organisation with outstanding results especially on implementation rates. It was also noted that internal audit had a collaborative working relationship with management.

RESOLVED:

1. To note the final report of Internal Audit Performance undertaken through an External Quality Assessment (EQA) which is mandated by the Public Sector Internal Audit Standards (PSIAS) every 5 years.

7 Internal Audit and Counter Fraud Charter; Internal Audit Strategy 2022/23

Justin Martin, Chief Audit Executive introduced the report and explained that;

- The FRC report that was being referred to by a member of the committee in relation to the separation of audit and consultation functions was in relation to external audits.
- Pricewaterhouse Coopers (PwC) provided internal audit functions to the Council.
- PwC would not provide an external audit function and consulting function within the same environment.
- An action on the EQA highlighted that an audit could not be undertaken for 18 months, if PwC had provided advice previously, this was also referenced in the strategy.

One of the members flagged the term independence, particularly points 2.3.3 and 2.3.4 on Appendix A needed to be tightened. The Chief Audit Executive acknowledged this and would amend this to be clear that independence was important and PwC could not go into an area where there would be a conflict of interest.

RESOLVED unanimously;

1. To approve the draft Internal Audit and Counter Fraud Charter for 2022/23

(Appendix A).

2. To approve the Internal Audit Strategy for 2022/23 (Appendix B).

8 Internal Audit and Counter Fraud Progress 2021/22

Justin Martin, Chief Audit Executive highlighted that engagement with management was good and was therefore confident that all deadlines would be met. In response to questions that were raised by members it was highlighted that:

- Although not the current case at Lambeth but, if there was no engagement from management, Corporate Committee would be notified and it would also be evident as there would be a backlog of work to be completed and implementation rates would be low;
- There had been zero limited reports.

It was noted by Michael O'Reilly, Counter Fraud Manager that:

- The council had met their annual property recovery target;
- Dismissal and resignation reasonings could not be discussed as it was confidential information which was not in the public domain. However, basic anonymised detail could be provided in line with employment law;
- The graph on page 113 demonstrated significantly higher internal fraud reports for the current year compared to last year which was relatively low due to the pandemic.
- Last year's results were lower because there was a reduction in referrals and disciplinary processes were not taking place;
- Since the start of the financial year Lambeth had used Cifas to carry out vetting on candidates who had been accepted for roles within the Council.
- Cifas held records of historic fraudulent activities, the offers of employment were reconsidered and, on the whole, successful candidate had their offers of employment rescinded;
- Cifas checks and reporting was relatively rapid and did not pose any capacity issues for the team.

The committee requested that the Counter Fraud Manager reviewed whether a confidential meeting was required to receive basic anonymised detail on resignations and dismissals, or to circulate this information via email.

RESOLVED:

1. To note the report which provides an update on matters relating to the Internal Audit and Counter Fraud service, its activities, and outcomes.

9 Counter Fraud Policies and Procedures 2022-23 (2)

Michael O'Reilly, Counter Fraud Manager, introduced the report and noted that this was the second set of policies out of three which would be shared with Corporate Committee. It was noted that the Whistleblowing Charter had been incorporated into the Whistleblowing Policy, as previously it was a separate document.

In response to questions raised it was noted that the whistleblowing update was usually

shared with Corporate Committee annually, however this had not recently been necessary as referrals received tended to be HR grievances.

Councillor Adrian Garden, observer for Corporate Committee, requested to speak on this item. The chair advised Councillor Garden that he would pick up comments on this item outside of the meeting.

RESOLVED unanimously;

1. That Corporate Committee approve the updated Whistleblowing Policy and Procedure (Appendix A).

10 Pay Policy Statement 2021/22

Martin Cox, Director for Human Resources and Organisational Development introduced the report and stated that there were no significant proposed changes and there were no proposals of change in terms of pension regulation. Members' questions were addressed and it was noted that:

- In 2015 the council had a restructure and in 2018 when the current Chief Executive was made permanent there was a focus on workforce development therefore the council invested into leadership which was good, as it drove an organisation forward;
- Pay inflation could have also caused an increase in the number of staff earning over 50K;
- Performance and achievement of the council is measured through other committees therefore the decision would be for full council to decide whether they wanted to measure senior capacity against achievements;
- The council could review spending on agency workers;
- Lambeth was compliant with IR35 and had a managed agent (Matrix) who managed the agency workers;
- Monitoring improvements were outside of this report and would be picked up under item 11.

The committee requested that the Director for Human Resources and Organisational Development identified how many agency workers were paid over £100k per year. Although, it was noted that this would either need to be historic or use assumptions as agency workers were mainly used for short term engagements.

APPROVED unanimously:

1. To approve the updated Pay Policy Statement for 2021/22 attached at Appendix A.
2. To note the appointments made to posts attracting remuneration more than £100,000 per annum and severance packages more than £100,000 to date, attached at Appendix B

11 Workforce Report 2021/22

Martin Cox, Director of Human Resources and Organisational Development presented the report to the committee and responded to questions which were raised by the committee:

- Although managed through the same system, appraisals and completion of mandatory training were dealt with separately. Therefore, there was no direct link for employees to complete training in order to have an appraisal;
- Pre-pandemic appraisals would occur face to face and managers would be able to assist employees on how to complete appraisals via Oracle;
- It was noted that appraisals were being performed but a main focus was to ensure there was compliance with the system to complete appraisals within Oracle. Although not all employees had annual objectives;
- All mandatory training was easily accessible online. Although this wasn't the only way to provide training due to COVID it had been made challenging to carry out practical in person training sessions;
- The committee were concerned over the low level of completion of appraisals and mandatory training. In response, it was anticipated that the statistics on both appraisals and mandatory training would have been improved in the next six-month workforce report.
- Employee questionnaires would be circulated as part of the Investors in People (IiP).
- The Council obtained a silver award when the last IiP survey was carried out just over a year ago. Therefore, formal staff surveys would happen every 12 – 18 months.

The committee requested that the Director of Human Resources and Organisational Development liaised with relevant colleagues to identify whether work could be undertaken to measure and provide evidence that the restructuring between 2015-18 had resulted in service improvements and better value for money.

APPROVED:

1. To note the workforce data for April to September 2021 and actions being undertaken.

12 Annual Procurement Update

Sasa Glisic, Head of Procurement introduced the report and in response to questions raised explained that:

- Subject to the Public Contract's Regulations 2015 and requirements, Lambeth have the right to exclude companies for multiple reasons, one of which was not paying taxes;
- There were two parts of the procurement selection process, part one was the statutory selection criteria.
- Part two was through the method statement questions in a tender. Lambeth were able to influence this process by building on the method statement questions in such a way that it ensured that a company would fit Lambeth requirements.

A member of the committee requested that there was a meeting with the centre of excellence to know more about contract management as there was a project within their

ward which had gone over budget. In addition, the member had examples where contractors appeared to have been overpaid and issues where less than three tenders had been part of the procurement process.

It was requested that the Head of Procurement included in the next report to Corporate Committee, lessons learned on the responsible procurement process and how the process would be strengthened to exclude companies earlier on in the process.

APPROVED:

1. To note the updates on Procurement.

13 Polling Districts and Polling Places Review 2021-22

The guillotine fell at 8.00pm. It was **MOVED** by the Chair, and, **RESOLVED:** unanimously, that in accordance with Standing Orders 9.5-9.7, the meeting continue for a further period of up to 30 minutes.

Chris John, Electoral Services Manager introduced the report and explained the detailed process that this exercise had undertaken and that the final scheme report explained each ward change in detail.

It was noted that there would be borough wide communication which would highlight that there may be a change to their ward and polling station, if so residents on the electoral register would be notified.

The committee welcomed the report and thanked Electoral Services on their hard work especially in regard to addressing concerns from residents and ward councillors. The Chair of the committee had received feedback from a ward councillor and this would be circulated to the Electoral Services Manager to address.

APPROVED unanimously;

1. To agree proposed polling district boundaries and polling places for each of the 25 new wards.
2. To adopt the polling districts and polling places scheme, as set out in Appendix A, in full

The meeting ended at 8.10 pm

CHAIR
CORPORATE COMMITTEE
Thursday 31 March 2022

Date of Despatch: Friday 4 February 2022

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