

## **CORPORATE COMMITTEE MINUTES**

**Wednesday 22 July 2020 at 6.00 pm**

**Present:** Councillor Scott Ainslie, Councillor Peter Ely, Councillor Adrian Garden (Chair) and Councillor Martin Tiedemann (Substitute)

**Apologies:** Councillor Maria Kay and Councillor Iain Simpson

### **1. DECLARATION OF PECUNIARY INTERESTS**

There were no declarations of interest.

### **2. MINUTES**

The minutes of the meeting on 19 December 2019 were agreed as a correct record of proceedings.

The minutes of the meeting on 23 January 2020 were agreed as a correct record of proceedings.

The minutes of the meeting on 30 January 2020 were agreed as a correct record of proceedings.

### **3. WORK PROGRAMME AND ACTION MONITORING**

Alison McKane, Director of Legal and Governance; Christina Thompson, Director of Finance and Property; and David Rose, Democratic Services, presented the report and answered questions as below:

- The Committee had not referred Homes for Lambeth (HfL) to the Overview and Scrutiny Committee (OSC), and the HfL challenge session would await the outcome of the HfL governance review before proceeding. OSC had considered a HfL call-in on 04 May 2020 and had recommended a governance review be undertaken, which would be circulated to Committee Members.
- A confidential briefing note would be circulated to Members on the investigation into the criminal investigation of former Lambeth employee.

In discussion, Members noted that the Corporate Committee members skills audit had taken too long to complete and raised concern over actions' deadlines not being met. Committee Members had also raised questions arising from the cancelled March meeting agenda but were yet to receive formal responses.

#### **RESOLVED:**

1. To note the Corporate Committee's work programme for 2020-21.
2. To note the Corporate Committee's actions monitoring log.

#### 4. COVID-19 FINANCIAL IMPACT AND THE FINANCIAL PLANNING AND MEDIUM TERM FINANCE STRATEGY 2020/21 TO 2024/25

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

- Efficiency savings would be needed to address the £17-50m funding gap expected from central Government funds not meeting the full cost of the Covid-19 pandemic.
- The Council had undertaken a number of tasks in response to the Covid-19 pandemic:
  - identifying excess expenditure in the accounts system with additional codes to enable tracking;
  - identifying funds to meet expected increased demands from those transferring from the NHS care to local authorities;
  - reviewing shielding issues for those unable to support themselves and identifying expected grants to mitigate;
  - identifying future possible funding streams and mitigating the loss of income; and,
  - to continue to monitor central Government's reduction in public spending.
- The Government had announced £500m extra funding for local authorities, of which Lambeth had been allocated £3.5m for 2019. A technical note from the Ministry of Housing, Communities and Local Government (MHCLG) had been received on compensation for loss of income, but it was expected that the Government would review funding and future lockdown proposals.
- Sufficient one-off reserves existed to balance the financial position to year-end if Government did not provide additional funding, although a discussion about how the Council operated reserves and balances would be needed in future. There was also small amount available in the General Fund Balance; however, to ensure financial resilience, Lambeth needed to ensure reserves were maintained and that any reserves used be made up.
- Irrecoverable income was income that there was no likelihood of recovering. Payment of recoverable income was expected; however, these payments had declined although the Council continued to chase by letter.
- There had been an increase in delays on payment of council tax and many moving to non-council taxpayer status causing a £28.6m loss to the Collection Fund; however, the council tax bases had increased, mitigating some of these impacts. In real terms, these pressures would materialise at the end of financial years, but the Council was seeking to apply for recovery of these funds.
- Central Government would be reviewing original sales, fees and charges budgets and had stated that 95% would be compensated at rate of 75p in £1, so the Council needed to demonstrate how much income been lost against the original budget, which was currently under review. Lambeth was also in discussion with MHCLG and other councils; and would be advising Cabinet in the quarterly monitoring budget.
- Performance against budget was monitored monthly by Management Board, the Cabinet Member for Finance and Performance, the Leader of the Council, and quarterly monitoring by Cabinet.
- Lambeth had received one £22m compensatory payment from central Government with a further payment promised. Loss of income was challenging as there had been no compensation as yet, and it was recommended that Government review the compensation being offered for loss of income on sales, fees and charges, and business rates and council tax for local authorities.
- The main risk was whether central Government funding remained static but costs and loss of income for local authorities increased; and around challenges in meeting increased social care costs.

- The December Cabinet Mid-term Financial Strategy would detail further outcomes and mitigations.

In discussion, Members noted the following:

- Concern was expressed with how the Council would deal with additional pressures amid a potentially inadequate Government response.
- The situation arising from Covid-19 was fluid and fast-moving, which meant that any plans set would need to be under continuous revision and there needed to be better identification of risks arising and how these could be mitigated.
- The borrowing of large sums of money such as for the HfL programme was queried and might represent an additional risk the Council could not afford to take on at this time.

**RESOLVED:**

1. That Corporate Committee noted and commented on the attached report.

## **5. TREASURY PERFORMANCE MANAGEMENT**

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

- This report set out annual treasury performance to 31 March 2020 detailing a £591.7m gross debt level paid at an average 4.4% rate of interest.
- The investment balance stood at £35.2m, with yearly treasury investment interest of £0.384m and interest from treasury investments at £0.686m against a budget of £0.862m.
- The Council had calculated that rolling 30-40-year into 50-year debt would cause excessive repayment costs which did not mitigate cheaper interest payments or increasing debt duration.
- Members were asked to discuss the cost of upgrading Brixton Rec with the Director of Finance and Property outside of Corporate Committee.

**RESOLVED:**

1. To note the Treasury Management Performance Report for the full year to 31 March 2020.

## **6. 2019/20 AUDIT PROGRESS REPORT**

Nisar Visram, Assistant Director of Corporate Finance, and Karen Murray, Mazars, introduced the report and responded to questions as below:

- MHCLG had moved the accounts deadline to November.
- The draft accounts had been published on 12 June 2020.
- The audit was slightly delayed by review of the value of assets (property and equity investment), non-payment of tax council, and from London Pension Fund Authority.
- The Royal Institute of Chartered Surveyors (RICS)-provided chartered surveyors expected significant turmoil in property market and needed to consider material uncertainties around evaluations and possible triggering events, before it could give assurances; however, Lambeth had a position on its evaluations that it was content with.
- Mazar's audit progress report would be circulated to Members.
- HfL was being audited by MoreUK and that audit would be submitted to Council and be consolidated into Council's accounts in due course.
- Financial resilience was identified as one of risks and the report detailed the Council's financial position at the point of drafting. The Medium-term Financial Strategy was under review, although it was noted that there would be gaps in funding and questions on central

Government support.

- The £21.3m funding gap did not represent overspend (the calculation of the difference between the annual budget and the funding from Government and council tax) and the Council did have a balanced budget up to 2023/24.

In discussion, Members noted the following:

- The transparency of PwC's audit was queried and it was raised how potential deficiencies of internal controls would be apparent to Mazars, in particular with regards to auditing HfL.
- Members also noted that questions of decisions and business risk were the purview of the OSC, and the focus of Corporate Committee's audit approach was whether the framework was correct, or the audit was being undertaken satisfactorily and was a faithful record.

**RESOLVED:**

1. Note the external auditor's progress report.
2. Note the audit planning documents for the Council and pension fund audits and the 2018/19 annual audit letter that were reviewed offline by the Chair in lieu of March's cancelled Corporate Committee but are included as background documents here for completeness.

## **7. CHILDREN'S SOCIAL CARE - ANNUAL COMPLAINTS**

Alex Kubeyinje, Children's Social Care Director; and, Ferisha Royal, Children's Social Care Complaints Manager, presented this item, noting:

- Lambeth remained off the Information Commissioners Office watch-list.
- There had been only one Stage 3 during this period sent from the Ombudsman, however it was subsequently found that the Stage 2 advice provided by the Council was accurate.
- Next year would focus on Stage 1 complaints, including further improvements to financial payments and interactions with the BAME community across core languages.
- The Subject Access Requests (SARs) backlog was down to 27 outstanding cases, with Legal Services paralegals administering the Children's Social Care (CSC) SARs and Historic SARs. The backlog was due to the increased number of requests and the size of these individual requests; however, Lambeth was keeping the ICO informed of progress and they were comfortable with Lambeth's approach and resources.
- The measures in place for complaints were also in place for Member's Enquiries (MEs) and Freedom of Information (Fol) Requests, and improvement was expected, but were being monitored closely.
- It was difficult to track satisfaction with cases unless the CSC Complaints Manager was informed.
- Progressing complaints reliant on translation services for those with English as a Foreign Language (EAFL) worked well and was usually undertaken with another member of the family, with the conversation subsequently confirmed via email. Complaints from families with learning needs were also supported by DASL.

Members gave their thanks for an excellent report and noted the below in discussion:

- Future reports should better detail the outcomes of lessons learnt and what measures had worked.
- There were concerns over the BAME community's lack of trust in the authority but were pleased that measures to interact in different languages was being improved.

**RESOLVED:**

1. To note attached report.
2. Actions promised in each upheld complaint will now also be tracked to ensure they have been completed. Assistant Directors continue will continue to be responsible for overseeing completion in their service.
3. Disseminate lessons every quarter to social workers and managers.

## **8. CHILDREN'S SOCIAL CARE - RISK MANAGEMENT**

Alex Kubeyinje, Children's Social Care Director, presented this item, noting:

- CSC had received welcome scrutiny from Ofsted on permanency, a Special Education Needs and Disability (SEND) inspection, a Department for Education (DfE) visit on care leavers and a contextual safeguarding peer review.
- CSC's main challenge was on its budget, and whilst overspending it had additional growth and one-off funding from Government on Unaccompanied Asylum-Seeking Children (UASC) increases.
- 78 posts had been offered to help bring down agency staff numbers and fill vacancies.
- Ofsted did not grade until the full inspection but had confirmed improvement during its permanency visit.
- The report contained strategies to improve supervision and consistency of social work and mitigate the number of vacancies in the team, to ensure children were being adequately safeguarded.
- A Payments team had been set up to lower the number of persons processing payments, with split panels to take decisions for those aged 16 and above and another panel for other spend.
- The Workforce Strategy Board met monthly and was developing employment offers to attract staff.
- Adoption had been judged as inadequate in the April 2018 focus visit, but improvements had been made, including tackling legacy cases and setting up a Permanency Board.
- There were plans, such as the Children at the Heart of Practice Board launched by Chief Executive and conversations on the use of recruitment agencies and to improve staff retention.

In discussion, Members of the Committee noted the following in discussion:

- Members requested sight of improvement plans to meet the high cost of placement budgets and care packages and improvements to the payments processes.
- There were concerns that staff were being lost to other boroughs after training them in Lambeth.
- There needed to be further improvement on the consistency of CSC delivery and social work.

### **RESOLVED:**

1. To note the contents of the report.

## **9. COMPLAINTS, MEMBER'S ENQUIRIES AND FREEDOM OF INFORMATION ACT REQUESTS**

Majella Sharma, Interim Head of Customer Resolution and Improvement, presented this item, noting:

- The Local Government Ombudsman (LGO)'s annual report received this afternoon would be sent to Members outside the meeting.

- The new iCasework Cloud solution would enable better publication of Fols and meet the ICO's transparency agenda.
- During 01 October 2019 to 31 March 2020, 6,149 new cases were received with 27% being dealt with at Stage 1 (Local Resolution) and 44% being Member's Enquiries.
- Officers were investigating how to better support Members and improve responses, including a review of a new service request channel and the current Members' portal.
- Lambeth compared well to its counterparts with 65% of complaints referred to Ombudsman being upheld, 100% upheld on enquiries, and all LGO-requested actions we delivered.
- Improvement was needed on being upfront on resolving issues, with 83% satisfaction but only a 15% success rate.

In discussion, Members noted the following:

- Future reports needed to include information from previous years and comparative analysis with peers, in addition to improving information on lessons learnt.
- Corporate Committee Members were required to give further guidance outside the meeting on what information they wanted the report to contain.
- It was requested that those with EAFL and without access to technology be added into future iterations of the report, and that the website was more accessible for such persons.

**RESOLVED:**

1. To note the contents of the report.

**10. ANNUAL GOVERNANCE STATEMENT 2019/20**

During the discussion of this item, the guillotine fell at 8.30pm.

It was MOVED by the Chair, and,

**RESOLVED:** That in accordance with Standing Order 9.5-9.7, the meeting continue for a further period of up to 30 minutes.

James Rimmington, Risk Manager, presented this item, noting:

- The Annual Governance Statement (AGS) was structured around seven governance principles A-G, as detailed in the agenda pack, page 212. Pages 223-5 set out Covid-19 specific challenges.
- The key changes to the AGS were specific Covid-19 ones, and the AGS was otherwise similar to last year's AGS.
- The terms of reference of other committees was for debate in those committees and confirmation of changing terms of reference required a vote at Full Council.
- There was a HfL governance review expected for completion by October which would be circulated to Committee Members and discussed at the subsequent Challenge Session.
- Corporate Committee could address its terms of reference via the work plan item.

Committee Members requested that references to specific data be included in future reports to allow easier identification of issues. The Corporate Committee Member training sessions were also welcomed so that those providing leadership of audit have the skills to do so.

**RESOLVED:**

1. To note the content of the Annual Governance Statement 2019/20 (appendix A) and Local Code of Corporate Governance 2019/20 (appendix B).
2. To note the significant governance issues for 2019/20 and updates on previous year's issues (page 10 of AGS).

## 11. INTERNAL AUDIT AND COUNTER FRAUD ANNUAL REPORT

Justin Martin, Chief Audit Executive; Charlotte Bilsland, Deputy Chief Audit Executive; and Michael O'Reilly, Counter Fraud Manager, presented this item, noting:

- The Council was supportive and compliant, enabling 82 projects on the work plan to be delivered.
- Of the 11 audit plan projects cancelled, only two were due to Covid-19.
- A 'generally satisfactory' rating was the second-best audit opinion possible, and the Council had only delivered two isolated 'no assurance' reports (Cottington Close Tenant Management Organisation (TMO) and Children's direct payments).
- The 73% implementation of recommendations rate had almost reached the 75% target.
- 53% of reports provided a lower classification overall. However, it was felt that the organisation as a whole was in a positive assurance space and the number of no assurance findings had dropped.
- Site-based audits were not possible following the Government's Covid-19 guidance, but reviews being taken remotely were thought to have been successful.

### RESOLVED:

1. To receive and approve the draft Internal Audit and Counter Fraud Annual Report for 2019/20.

## 12. CORPORATE COMMITTEE ANNUAL REPORT

Justin Martin, Chief Audit Executive; Charlotte Bilsland, Deputy Chief Audit Executive; and Michael O'Reilly, Counter Fraud Manager, noted the Annual Report of Corporate Committee.

During the discussion of this item, it was noted that one Member of the Committee did not agree that governance, risk management and control in relation to business-critical areas was generally satisfactory as stated in the report (agenda pack, page 279).

### RESOLVED:

1. To receive and approve the Corporate Committee's Annual Report for 2019/20 and to recommend it to Council for full approval.

The meeting ended at 8.30 pm

CHAIR  
CORPORATE COMMITTEE  
Thursday 12 November 2020

Date of Despatch: Friday 23 October 2020

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