



CITY OF WESTMINSTER

MINUTES

Audit and Performance Committee

MINUTES OF PROCEEDINGS

Minutes of a virtual meeting of the **Audit & Performance Committee** held at 6.30pm on Tuesday 23 September 2020.

Members Present: Councillors Ian Rowley (Chairman), David Boothroyd, Danny Chalkley and Richard Elcho.

Also Present: Gerald Almeroth (Executive Director of Finance & Resources), Marine André (Strategy and Intelligence), Hazel Best (Legal Services), Natalia Clifford (Deputy Director of Public Health), Graham Collins (Head of Procurement and Supply Chain), Anna Cox (Public Health Business Partner), Sarah Crouch (Deputy Director of Public Health), Paul Dossett (Grant Thornton), Kevin Goad (Director of City Highways), Dr Catherine Heffernan (Principal Advisor for Commissioning Early Years, Immunisations and Vaccination Services, NHS England), Andy Hyatt (Tri-Borough Head of Fraud), Debbie Jackson (Executive Director, Growth, Planning and Housing), Sophie Johnson (Research Manager, Strategy and Intelligence), Artemis Kassi (Senior Committee and Governance Officer), Jeffrey Lake (Director of Public Health), Andrea Luker (Head of Housing, Innovation and Improvement), Moira Mackie (Head of Internal Audit), Raj Mistry (Executive Director, Environment and City Management), Stephen Muldoon (Director of Commercial and Financial Management), Marivie Papavassiliou, Lucy Rumbellow (Immunisation Commissioning Manager, NHS England), Sophie Shore (Head of Strategy and Intelligence), Simon Sluys (Head of Travel Care Commissioning), Caron Smith (Head of Procurement), Andrew Tagg (Director of Operations and Programmes), Rikin Tailor (Head of Corporate Finance), Phil Triggs (Tri-Borough Director of Treasury & Pensions), Gareth Wall (Director of Integrated Commissioning), Greg Ward (Director of Regeneration and Economic Development), Neil Wightman (Director of Housing), Lee Witham (Director, People Services), and Paul Wilmette (Bi-borough Director, Governance and Operations).

1 MEMBERSHIP

- 1.1 There were no changes to the membership.
- 1.2 It was proposed and seconded that Councillor David Boothroyd be appointed as Deputy Chair for the meeting.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3 MINUTES

- 3.1 RESOLVED:** That the minutes of the meeting on 15 July 2020 be agreed by the Committee as a correct record of the proceedings.

4. IMMUNISATIONS PROGRAMMES IN WESTMINSTER

- 4.1** The Committee received a report by Dr Catherine Heffernan, the Principal Advisor for Commissioning Early Years, Immunisations and Vaccination Services, NHS England, on rates of vaccinations in Westminster. The Committee heard that, for example, Westminster's uptake of vaccinations at age 5 was at around 60%, which is below WHO recommended uptake levels of 95%. The Committee also heard that rates of childhood immunisation had dropped due to Covid-19 but that as of 1 September, the rates had recovered. Dr Heffernan advised the Committee of the work being undertaken to target and address health inequalities and the work with partner organisations such as local authorities, the CCGs and the GLAs, to ensure that there were sufficient workforce, capacity and stocks. Dr Heffernan also described how innovative measures were being used by GP practices to see patients.
- 4.2** The Committee was provided with further detail specific to Westminster by Lucy Rumbellow (Immunisation Commissioning Manager, NHS England). The Committee heard from Lucy Rumbellow about the work being done within Westminster looking at individual wards and observed that affluent areas had lower uptakes, which could be explained by foreign residents and private GP practices. The Committee also heard how, there had not been the level of outbreaks that might have been expected given the vaccination rates.
- 4.3** The Committee raised concerns about the implications of and uncertainty arising from the government's announcement in July that Public Health England would be disbanded. The Committee was advised about the complex commissioning environment which existed and the unknowns concerning the situation post-Public Health England. The Committee also discussed the robustness and accuracy of data concerning vaccination uptake, how NHSE worked with the local authority to map uptake at ward level, communications to counter "anti-vax" messaging, and how any vaccine developed to counter Covid-19 would be delivered outside the standard immunisation programme.
- 4.4** Dr Heffernan advised that during Covid-19, it had become possible to obtain more timely data with the result that information was usually available one to two weeks after vaccination. Lucy Rumbellow advised the Committee that there was mitigation against hesitancy or refusal through work with school teams and a year-round clinic, as well as through granular and blanket level communications. The Committee raised concerns that levels of vaccination in Westminster had been consistently low and there appeared to have been little progress over the last ten years. The Committee also raised the suggestion that using health visitors to administer the vaccinations might be a solution. Dr Heffernan advised that London rates had remained stable, that health visitors had in the past given vaccines, however that health visitors were commissioned by local authorities, not NHSE. Dr Heffernan also raised acute

issues such as not being able to proceed with commissioning initiatives in September in addition to chronic issues such as population turnover and complexity of data. Natalia Clifford observed that pilot schemes by NHSE and PHE had been done elsewhere and that Westminster would welcome being the locus of a pilot scheme.

- 4.4 RESOLVED:** That the Committee note the contents of the report, continue to monitor and invite NHSE to return to present an update.
- 4.5 ACTION:** The Committee to write to local MPs, advise the Chief Executive and the Leader of the discussions at the committee meeting and NHSE to be invited to return to a future meeting to provide a further update (to be added to the work programme).

5. FINANCE & PERFORMANCE BUSINESS PLAN MONITORING
Period 4 Finance Report 2020/2021

- 5.1** The Committee noted the contents of the Period 4 Finance Report, presented by Gerald Almeroth, Executive Director of Finance and Resources and Rikin Tailor, (Head of Corporate Finance). The report provided details of the forecast outturn in respect of revenue and capital by Cabinet Portfolio, together with projected revenue and capital expenditure, key risks and opportunities.
- 5.2** The report projected a year-to-date variance of £23.3 million. The report also projected an adverse gross variance of £50m by year-end and a net deficit of £30.291m. The Committee was advised that this net deficit did not include any reimbursements due under the government's income reimbursement scheme which would reduce that deficit. The Committee was further advised that the Housing Revenue Account (HRA) forecast was for an overspend of £4.435m, with pressures due to Covid-19 accounting for £4.2m of this deficit. The Committee heard that eleven schemes made up 68% of the capital provision of £85 million and over 50% of the HRA was due to six regeneration schemes, with slippage attributable to Covid-19 constraints. The Committee was assured that variances, risks and opportunities within Cabinet Portfolios continued to be monitored closely as the year progressed.
- 5.3** The Committee discussed issues which included grants for small businesses, the year-to-date variances due to financial pressures arising from the Covid-19 pandemic; key income streams within parking and planning; and capital underspend, including the Piccadilly underpass.

Quarter 1 Performance Report

- 5.4** The Committee received a report from Sophie Shore and Marine André which summarised the City Council's performance at the end of the first quarter of the 2020/2021 financial year against City for All priorities. The Committee was advised about progress towards achieving the deliverables and targets within departmental business plans. The report to the Committee also provided commentary in respect of outstanding and poor performance, with details of remedial actions where appropriate.

5.5 The Committee discussed having more information on targets where data was not available and the difficulty of picking out issues due to the impact of Covid-19. The Committee also discussed the impact of Covid-19 on the Evening and Night-Time Economy and potential enforcement issues, especially in a context where voluntary compliance might decrease. The Committee raised the issue of whether the City was adequately resourced. The Committee further raised the issue of inspections of the City's bars, restaurants and pubs. The Committee was advised that the inspection figures related to Quarter 1. The Committee requested Covid-19 specific KPIs, which would be discussed with Executive Directors.

5.6 RESOLVED: That the Finance and Performance reports be noted.

5.7 ACTIONS:

1. Future reports to include Covid-19 specific KPIs, commentary in the Appendix and service representatives on call.
2. Officers to advise the Committee of the amounts which could be claimed by the Council through the government's income reimbursement scheme which would reduce the HRA deficit.
3. Information on the Piccadilly Underpass scheme.

6. ANNUAL CONTRACTS REVIEW AND PROCUREMENT UPDATE

6.1 The Committee received an overview of contracts performance for 2019/2020 and an update on implementation of the new operating model for the Procurement and Commercial Service from Graham Collins (Head of Procurement and Supply Chain). The Committee was provided with a review of awards, waivers and contract performance and an update on implementation of the new operating model and performance indicators.

6.2 The Committee raised the issue of accessibility of contracts via e-capital sourcing. The Committee discussed how 43 out of 76 contracts had been extended or awarded without competition and queried whether any contractors had been cited for poor performance. The Committee also queried which GPH contracts were performing below target. The Committee was advised that the new procurement system to replace capital sourcing (CapE) would require training but that it would provide greater ease of use. The Committee was further advised that a new team would be in place in 2021.

6.3 The Committee received an update on the Travel Care Minibus Contract from Simon Sluys, who outlined the higher environmental standards, social value, high level of continuity and positive feedback which the Contract had been receiving prior to Covid-19. Simon Sluys advised that the service was then used for Covid-19 provision, including delivery of school meals and computers. The Committee discussed instances where routes overran and how managers had identified this. Simon Sluys advised the Committee that additional workers and crews had been brought in as well as working with the provider to identify more quickly and provided additional context. He referred the Committee to paragraph 2.3 of the report and advised that the current provider had taken over a failing contract from the previous provider which

had gone into administration with only two weeks' notice.

6.2 RESOLVED: That the overview report be noted.

6.3 ACTION: Officers to provide updates on the Ove Arup contract at Lisson Grove and below-target GPH contracts.

7. WESTMINSTER HOUSING PERFORMANCE UPDATE

7.1 The Committee received an overview of the standards and delivery of improvements in the housing service, in the context of the Covid-19 pandemic, from Neil Wightman, (Director of Housing).

7.2 The Committee discussed issues including significant reductions in repairs during the pandemic, communications with tenant residents, dealing with anti-social behaviour; and engagement relating to tenancy fraud. The Committee heard that major works had had to stop as residents were on site due to Covid-19 restrictions and that a larger number of people were claiming Universal Credit Benefit.

7.3 The Committee further discussed the work of a scrutiny task group committee in 2018 which had examined City West Homes (CWH), the corporate culture and staff turnover at CWH and resourcing within the Council to deal with tenancy fraud. Neil Wightman advised the Committee that the City Council was sufficiently resourced and David Hughes observed that the Fraud Team worked closely with the Housing team.

8. INTERNAL AUDIT PROGRESS REPORT (JULY TO AUGUST 2020) AND REVISED AUDIT PLAN

8.1 The Committee received the Internal Audit Progress and Revised Audit Plan reports of David Hughes (Report of Tri-borough Director, Audit, Fraud, Risk Management and Insurance).

8.2 The Committee was advised that the Covid-19 pandemic had slightly delayed the start of the 2020/21 Internal Audit work, as had been the case for audit teams across the London boroughs. As no audits had been finalised since the last report to the Committee, this report provided an update on current work in progress but that no opinion was offered on the adequacy and effectiveness of the Council's governance, risk management and controls. The Committee was further advised that the Audit Plan for 2020/21 had been revised to take into consideration the impact of Covid-19 on services, changes to service delivery and personnel changes. The Committee noted the report.

8.3 RESOLVED: That the Committee note the revised audit plan and the status of the audits currently in progress.

9. INTERNAL AUDIT CHARTER AND STRATEGY 2020/2021

9.1 The Committee received a report concerning the Council's Internal Audit Charter and Strategy for the year 2020/21. The Committee was advised that

this was in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), which specified that the Council had an Internal Audit Charter maintained by the Shared Services Director for Audit, Fraud, Risk & Insurance and that the Charter be reviewed annually.

9.2 RESOLVED: That the Committee noted the Internal Audit Charter report for 2020 in accordance with PSIAS requirements.

10. WORK PROGRAMME 2020/2021

10.1 The Committee noted the items on its Work Programme for the next meeting on 2 December 2020, together with actions taken in response to issues raised at its previous meetings. The Committee requested offline discussions about the Work Programme in advance of the next meeting.

11. REDMOND REVIEW ON LOCAL AUTHORITY AUDITS AND FINANCIAL REPORTING

11.1 The Committee received a verbal update from Gerald Almeroth, the Executive Director of Finance and Resources, on the [Redmond Review](#). This included the Review's recommendation of the introduction of an independent member to audit committees. The Committee welcomed this recommendation and requested a note on implementation of the Review recommendations, including potential appointments and a requirement for the potential independent member candidates to have knowledge of public sector accounts.

11.2 RESOLVED: That the update on the Redmond Review be noted and the recommendation for the introduction of an independent member be approved.

11.3 ACTIONS: A note was requested on the implementation of the Redmond Review recommendations. This note should include suggested potential appointees, with the requirement that any suggested independent member should have knowledge of public sector accounts.

4.2 RESOLVED: That the annual treasury management final outturn 2019/20 be noted, including the cases of non-compliance.

ACTIONS: The Committee requested a note be circulated providing further information on future loans and the £300,000 consultancy fee payable to the Council's treasury consultant.

The Meeting ended at 20:48.

CHAIRMAN: _____

DATE _____