

# Public Document Pack

## General Purposes & Audit Committee

Meeting of held on Wednesday, 20 October 2021 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillors Karen Jewitt (Vice-Chair), Nina Degrads, Paul Scott, Chris Clark, Joy Prince, Steve Hollands and Simon Hoar

**Apologies:** Olu Olasode (Chair) and Councillor Luke Clancy

### PART A

1/21 **Disclosure of Interests**

There were none.

2/21 **Urgent Business (if any)**

There were no items of urgent business.

3/21 **Presentation on Information Management Risk**

The Head of Digital Operations, Dave Briggs, gave a presentation to the committee.

In response to queries raised by the Committee, the following was clarified:

- The reporting frequency required was due to the fact that the council had been in breach of the reporting standards in the past;
- The challenges around Freedom of Information (FOI) and SAR timescales were specifically around staffing levels;
- It was hoped that new software would assist the way in which Councillors' requests were processed which would reduce the number FOI requests being made by Councillors. It would also significantly reduce requests if certain information could be made available on the council's website;
- More data analysis was required so that requests on the same subject could be mitigated by having more information available on the website;
- The review would include benchmarking with other Local Authorities to see where patterns were and where improvements could be made;
- Exemptions were not seen as an issue;

- This area of improvement work was receiving the backing of the Corporate Leadership Team;
- Cyber security was a major concern but old systems had been closed down to reduce the risk of being hacked;
- GDPR was covered by an e-learning course which staff regularly undertook and this reminded everybody of their responsibilities;
- The ICO could impose fines if the level of responses to FOI and SAR requests did not reach adequate levels, and this was why it had been highlighted as a corporate risk.

The Committee requested that a written report on FOI and SAR would come to them quarterly or sooner if an issue arose.

**RESOLVED** – That the Committee agreed to note the report.

#### 4/21 **Presentation on Budget Risk**

The Deputy s151 Officer, Matthew Davis, gave a presentation to the Committee and in response to queries raised by the Committee, the following clarified that the money spent to keep people safe during Covid had not all been covered by grants from Central Government, so the budget had taken a reduction as a result. Including savings that had not been delivered that figure was expected to be between £10 million and £20 million.

#### 5/21 **Treasury Management Strategy Statement and Annual Investment Strategy End of Year Review 2020/2021**

The Committee considered a report prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) codes of practice in respect of capital finance and treasury management. The codes recommended that members were advised of the treasury management activities for the whole of each financial year and of compliance with the various strategies and policies agreed by the Council. The Committee received an introduction from the Head of Treasury and Pensions, Nigel Cook.

In response to queries raised by the Committee, the following was clarified:

- The amount of debt was being accrued as the council was investing in schools and other infrastructure which would benefit future generations; but they would also be those who would have to manage the debt;

- The debt was also spread out over time to mitigate fluctuations in interest rates and market conditions so the debt would mature over the next 20, 30 or 40 years;
- A significant interest rate rise was expected but should still be within the expected range and not as high as it was 20 years ago;
- The debt, as it became due was being rolled forward on a short-term basis through the Local Authority Market which offered a lower rate than through the Public Works Loan Board. However, there were risks which needed to be managed and it was hoped to pay down some of the debt by using capital receipts.

**RESOLVED** - That the Committee agreed to note the report.

## 6/21 **Financial Performance Report**

The Committee considered a report which set out the financial monitoring position of the Council as at the end of Period 5 (August 2021). The Committee received an introduction from the Deputy s151 Officer, Matthew Davis.

In response to queries raised by the Committee, the following was clarified:

- That the council would continue to incur costs related to Covid and that the grant received from Government was a one-off;
- The particular budget pressure in the Place Directorate related to the unsuccessful bid for the Landlord Licencing Scheme and to increased costs around the transport for children with Special Educational Needs. In addition, some of the parking schemes took longer to implement than expected leading to a reduction in the income;
- Pay & Display parking income had been lower than expected partly due to Covid and a claim had been made to Government for between £600,000 and £1 million for the lost income;
- The focus had been on getting the Revenue Budget sorted and more now needed to be done to ensure that the Capital Budget was also where it should be.

**RESOLVED** – The Committee agreed to note the contents of the Period 5 Financial Monitoring report as set out in the appendices.

## 7/21 **Progress Report**

The Committee considered a report which updated Members on the progress of the 2019/2020 Financial Statement and the current findings. The Committee received an introduction from the Key Audit Partner at Grant Thornton, Sarah Ironmonger.

In response to queries raised by the Committee, the following was clarified:

- The Pension Committee would be looking at the issue of the asset transfer again at its meeting in March 2022 as this option was now less attractive;
- The report was complex for Members to understand and it was suggested that before the Audit Findings Report was published that Members received a workshop session where the auditors could explain some of the context around the issues. In addition, it was suggested that the Members appointed to the Committee after the election in May should undertake mandatory training which already happened for the Planning and Licencing committees;
- Some of the risks highlighted in the report were very specific to Croydon Council and were more than would normally be expected which reflected the financial position of the council;
- The £13.2 million adjustment would reduce the amount of reserves and would require time to restore. However, this amount was known about when the work was undertaken to produce the Medium Term Financial Strategy;
- The Croydon Affordable Homes issue outlined in the report still required work;
- The broken culture and lack of leadership had led to the Internal Auditor's notification of bank reconciliations not happening being ignored;
- Grant Thornton hoped that the 2019/2020 Financial Statement would be completed in the next few months;
- The Value for Money Report regarding the Fairfield Halls refurbishment was still being worked on and it was hoped to have it available for the next meeting of GPAC in November 2021.

The Committee suggested that this issue should have a committee meeting where it would be the only item to allow for the time needed and for Cabinet Members to attend.

## 8/21 **Exclusion of Public and Press**

This was not required.

The meeting ended at 9.14 pm

**Signed:**

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**Date:**

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