

## **General Purposes & Audit Committee**

Meeting of General Purposes & Audit Committee held on Wednesday, 10 October 2018 at 6.30pm in Council Chamber, Town Hall, Katharine Street, Croydon, CR0 1NX

### **MINUTES**

**Present:** Councillor Stephen Mann (Chair);  
Councillor Joy Prince (Vice-Chair);  
Councillors Clive Fraser, Jerry Fitzpatrick, Patsy Cummings, Mary Croos,  
Jan Buttinger, Oni Oviri, Steve Hollands and Simon Brew

Co-Optee Muffaddal Kapasi

#### **Also**

**Present:** Councillor Simon Hall  
Nigel Cook (Head of Pensions and Treasury, Finance, Investment and Risk)  
Simon Maddocks (Head of Internal Audit, Finance, Investment and Risk)  
Hannah Musk (Investigations Team Leader, Finance, Investment and Risk)  
Dave Phillips  
Philip Segurola (Interim Director, Early Help and Children's Social Care)  
Richard Simpson (Executive Director of Resources and S151 Officer)  
Lisa Taylor (Director of Finance, Investment and Risk & Deputy S151 Officer)

**Apologies:** Councillors Ian Parker and Alisa Flemming

### **PART A**

#### **19/17 Minutes of the Previous Meeting**

**RESOLVED:** That the minutes of the meeting held on 18 July 2018 be signed by the chair as an accurate record of the meeting.

#### **20/17 Disclosure of Interests**

There were none.

#### **21/17 Urgent Business (if any)**

There were no items of urgent business.

#### **22/17 Presentation on Unaccompanied Asylum Seeking Children**

The Interim Director, Early Help and Children's Social Care and the Director of Finance, Investment and Risk (Deputy S151 Officer) gave a presentation

on UASC following a request from the Committee to gain a greater understanding of the Risk Register item.

The presentation informed the Committee that Croydon is the gateway authority for Unaccompanied Asylum Seeking Children (UASC), due to the location of the Home Office being within the Borough.

There was ongoing dialogue for funding with the Home Office, and currently funds received do not cover all costs incurred.

Members of the Committee thanked the officers for their presentation and raised questions with regards to what was next for Croydon, Councillor Hall commented and shared that dialogue was ongoing with the Home Office regarding funding for services being provided.

## 23/17 **Corporate Risk Register**

Officers introduced the report and highlighted the new risk on the risk register within the Children's Social Care, which was turned to red from amber.

**EHCS0007: Children's Social Care Service. Dependency on interim resources and challenges of recruiting coupled with significant capacity and resourcing pressures and impact of service reorganisations results in lack of stable, high performing workforce.**

The risk was reviewed at Departmental Leadership Team (DLT) meeting on 21/06/2018 and a decision was taken to increase the score to 20. The decision to increase the risk rating was deemed necessary as the DLT remained concerned in respect of the continued dependency on interim resources following extensive recruitment initiative, within the service.

The Committee heard that there was a success at the September social worker recruitment event. Although progress was made, the combination of initiatives including making agency become permanent was a slow progress. In addition, the service had increased the number of ASYEs and the training scheme. Last month the service had a cohort of fifteen new social workers which provided training obligations such as protected caseloads. The service would be keen to employ another cohort intake in the early months of 2019 to support them and supervise.

With questions from Members of the Committee with regards to Brexit and whether there was a risk, officers shared that Brexit was an item on the risk register as a high amber. There was a report scheduled to be heard at Cabinet in December for Council preparations and what it means for Croydon.

With questions from Members of the Committee with regards to extending gateway and the link service, officers shared that in terms of increasing the number of staff working on reducing long term costs in Children's and Adults it was having an impact. In the long term the service would be seen to make reductions on their budget.

Members of the Committee made reference to the extra £10 million pounds invested in Children's Social Care this year, and queried on how long the investment was required. The Committee learned that the financial budget for 2019/2020 was currently in negotiating stages. Officers highlighted that the budget for 2018/19 was an over spend and therefore there would be the need to increase the budget further in 2019/20.

Members of the Committee were interested with the change to the public health approach and learned that within the next few years there would be a full impact of change completed. Part of the work of moving to locality working was to apply the services from different parts of the borough to reflect the mix and needs of people in their communities, and have a much borough wide approach.

The Committee **RESOLVED**: To

- (i). Note the contents of the corporate risk register as at October 2018.

## 24/17 **Treasury Annual Review**

The Head of Pensions and Treasury, Finance, Investment and Risk presented the report of the annual treasury review and highlighted that with the cost of borrowing financially, it has gone down to 3.4% and that Croydon was cheaper than their peers. Further, officers recommended a change for Minimum Revenue statement to reflect the current approach to investments.

Members of the Committee reviewed the chart in the report on page 32, and noted that the operational limit was higher than the authorised limit. Officers clarified that the authorised limit could not be breached. The dotted line had reflected the line of borrowing. There was a clear limit which the Council could borrow up too. Officers further highlighted that the top two lines should be the other way round.

With questions from Members of the Committee in regards to the EU Investment Bank load being affected by Brexit, officers shared that the bank had a contract with Croydon and that the EU bank within the lending programme would see Croydon as another country outside the EU.

With questions from Members of the Committee noting that the cash was down and commenting on whether this was due to the fact we was borrowing at the same time, officers shared with the Committee that up until this year Croydon was running a cash fund up to £150 million. It was Croydon's strategy to use the internal cash balances. For the capital programme, Croydon would be borrowing as and when needed. Officers further highlighted that the only cash Croydon had was being used for working capital.

The Committee **RESOLVED**: To

- (i). Note the contents of this report;

- (ii). Endorse the Treasury Annual Review 2017/2018 and the continued implementation of the Council's Treasury Strategy 2018/2019 by the Executive Director of Resources (Section 151 Officer); and
- (iii). RECOMMEND to full Council the adoption of the revised Minimum Revenue Provision (MRP) policy statement appended to this report (Appendix E) (required by SI 2008/414)

## 25/17 **Internal Audit Update Report**

The Head of Internal Audit, Finance, Investment and Risk shared the report of the Internal Audit update that was recorded from the beginning of April to the end of August.

Further, most of the recommendations addressed were on target. The service was continuing to reach their 100% target. The report further showed progress had been made at the end of August as 35% of resource was spent on target. The number of draft of draft reports was on 18%, and there are a lot of reports in progress. All details of work thus far was highlighted within the appendix.

The Chair commended the positive work seen this year.

With comments from Members of the Committee in regards to the historical reports, they noted that the majority of the work was fantastic seeing full implementation, but the high profile cases, such as social care, was holding the service behind, and none had been implemented as yet. Officers responded to questions of the cases that was low in terms of implementation informing that it was difficult to generalise the situation, however, some of the actions was involved discussing with the director collectively.

Other comments from Members of the Committee relating to the abandoned vehicles was received well, and Members of the Committee shared that it was good to see some action was being taken on by the services, which was a progress of a lot work contributed.

Members of the Committee learned that there was changes to the MyApp programme which Members used. The changes that was related to the previous version was reference to the MyApp and not the MyAccount.

With questions from Members of the Committee in regards to the health visitor, who mentioned concerns of the general conditions, the Committee heard that there had been a change in staffing. The contract management had previously addressed that the service was not delivered as expected, and actions was being taken at this stage.

The Committee **RESOLVED**: To

- (i). The Committee is asked to note the Internal Audit Report for April to August 2018 (Appendix 1).

26/17 **Anti-Fraud Update Report**

Officers delivered an update of the anti-fraud report and summarised that there had been a low amount of outcomes but a high amount of savings, following two investigations that was of high status value: (1) a compensation claim with a saving of 200k; and (2) the Special Educational Needs (SEN) extensive investigation showed that a mother did not reside in the borough and was transferred to Lambeth for support.

Officers also informed that the anti-fraud service was ahead of their objective this year.

The Chair thanked the team for work completed thus far and seeing ahead of target.

Members of the Committee commended on the blue badge case study, and welcomed in the future a SEN case study review to look in detail at work completed.

With questions from Members of the Committee in regards to the length of time it would take to recover some funds, officers shared that recovery would depend on individual cases. As such some cases may take longer than others, however the service had provided a financial investigator who carried out this work.

The Committee **RESOLVED**: To

- (i). Note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2018 – 31 August 2018

27/17 **Outcome of the General Purpose and Audit Committee Independent Non-Voting recruitment**

The Committee heard that following the last meeting's recommendation to fulfil a vacancy, the process had been carried out and the interview panel identified Ms Nousheen Hassan had been successful.

Members of the Committee look forward to welcoming Ms Hassan to sit on the Committee.

The Committee **RESOLVED**: To

- (i). Support the recommendation of the recruitment panel for the preferred candidate to be appointed as an independent non-voting co-opted member of the Committee; and
- (ii). Recommends to Full Council that the appointment should be confirmed for the remainder of the municipal year and that said appointment be subject to the Code of Conduct for Non-Voting Co-optees.

28/17 **Exclusion of Public and Press**

This was not required.

The meeting ended at 8.16 pm

**Signed:**

**Date:**

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