



City of Westminster

# Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Monday 31st October, 2022**

Time: **7.00 pm**

Venue: **18th Floor, 64 Victoria Street, London, SW1E 6QP**

Members: **Councillors:**

Aziz Toki (Chair)  
Tony Devenish  
Paul Fisher  
Jessica Toale

**Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda**

**Admission to the public gallery is by ticket, issued from the ground floor reception from 6.30pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.**



**An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Artemis Kassi.**

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**Note for Members:** Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Director of Law in advance of the meeting please.

## **AGENDA**

### **PART 1 (IN PUBLIC)**

**1. MEMBERSHIP**

To note any changes to the membership.

**2. DECLARATIONS OF INTEREST**

To receive declarations by Members and Officers of the existence and nature of any pecuniary interests or any other significant interest in matters on this agenda.

**3. MINUTES**

To approve the minutes of the previous meeting.

**(Pages 5 - 12)**

**4. AUDIT UPDATE ON STATEMENT OF ACCOUNTS - PAPERS TO FOLLOW**

To receive and review an audit update on the Statement of Accounts for the Council. To receive a report by the external auditors, Grant Thornton.

**5. TREASURY MANAGEMENT STRATEGY OUTTURN 2021/22**

To receive and note a report to inform the Committee of the outturn position for 2021/2022.

**(Pages 13 - 24)**

**6. WORK PROGRAMME**

To receive a report on and review the Committee's work programme for 2021 – 2022.

**(Pages 25 - 34)**

**7. ANY OTHER BUSINESS**

To review any other business which the Chair considers urgent.

**Stuart Love**  
**Chief Executive**  
**21 October 2022**

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**CITY OF WESTMINSTER**

# MINUTES

## **Audit and Performance Committee**

### **MINUTES OF PROCEEDINGS**

Minutes of a meeting of the **Audit and Performance Committee** held on **Wednesday 7th September, 2022**, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

**Members Present:** Councillors Aziz Toki (Chair), Tony Devenish, Paul Fisher and Patrick Lilley.

**Also Present:**

Gerald Almeroth (Executive Director Finance and Resources), Jake Bacchus (Director of Finance), Angela Bishop (Head of Stakeholder Engagement and Transformation - GPH), Nick Byrom (Strategic Performance Manager), Ian Clarke (Performance Manager), Sarah Crouch (Deputy Director of Public Health), Annelie Drabu (Director of Strategy and Intelligence), Abbey Gough (FM Deputy Head of Corporate Finance), Damian Highwood (Chief Analyst), Debbie Jackson (Executive Director of Growth, Planning and Housing), Moira Mackie (Head of Internal Audit), Sarah Newman (Bi-Borough Executive Director of Children), Mohibur Rahman (Head of Strategy and Performance), Visva Sathasivam (Bi-Borough Director of Social Care), Neil Wightman (Director of Housing), Lee Witham (Director of People Services), and Clare O'Keefe (Temporary Joint Lead Policy and Scrutiny Advisor).

#### **1 MEMBERSHIP**

- 1.1 Councillor Jessica Toale sent apologies.
- 1.2 Councillor Patrick Lilley attended as substitute for Councillor Jessica Toale.

#### **2 DECLARATIONS OF INTEREST**

- 2.1 There were no declarations of interest.

#### **3 MINUTES**

- 3.1 The Committee approved the minutes of its meeting on 21 July 2022.

#### **3.2 RESOLVED:**

That the minutes of the meeting held on 21 July 2022 be signed by the Chair as a correct record of proceedings.

## **4 QUARTERLY PERFORMANCE REPORT 2022/23**

- 4.1 The Committee received an overview of the Quarterly Performance Report 2022/23 from Nick Byrom (Strategic Performance Manager). The Committee understood that the report summarises the Council's (Westminster City Council) performance and progress at the end of Quarter 1 2022/23. The Committee also noted the latest cumulative results available for each key performance indicator (KPI) at the end of Quarter 1 where possible (April 2022 – June 2022).
- 4.2 The Committee questioned the impact of the cost-of-living crisis on Council services. Sarah Newman (Bi-Borough Executive Director of Children) stated that it is expected there will be an increase in referrals to children's social care, in particular relating to mental health issues (parental as well as children's) and there is likely to be a rise in domestic abuse issues as well. The Committee was advised that child poverty at the time of the Committee was at 30 percent and the eligibility of free school meals had risen by 30 percent over the last two years and this is expected to rise further. The Committee was also informed by Visva Sathasivam (Bi-Borough Director of Social Care) that adult mental health referrals will increase due to the cost-of-living crisis, and there will be an impact on numbers of carers as the Council will be asked to top up care for residents if informal carers have to work more hours to offset the cost of living.
- 4.3 The Committee was informed by Debbie Jackson (Executive Director of Growth, Planning and Housing) that, from a Housing Services perspective, further demand for homeless services is expected as a result of the cost-of-living crisis. The Council relies on the work of the private rented sector to provide homes for people through the homelessness service, both in terms of emergency housing and temporary accommodation. The Committee was concerned to note that as the cost of rented accommodation is going up, this will have a profound effect on residents, the dynamics of the Housing Service's cost base, and will impact on how services are delivered to residents. Nick Byrom informed the Committee that 24 percent of the population in Westminster receive means tested benefits and could be acutely affected by the cost-of-living crisis depending on measures the Government takes to alleviate financial hardship pressures.
- 4.4 The Committee asked how the impact of the cost-of-living crisis is being factored into long-term planning. Gerald Almeroth (Executive Director Finance and Resources) informed the Committee that the current medium-term financial planning is picking up a four-year plan. This will not only focus on budget issues but will also take into account the administration's policy objectives as well as observations of external events, where demand is likely to be and what mitigations should be considered.
- 4.5 The Committee noted the timing of the Quarterly Performance reports and asked if projections for the following Quarter could be presented in the next report. Nick Byrom informed the Committee that whilst it is potentially difficult from a performance management point of view to give a trajectory, indicators could be given to the Committee. The Committee emphasised that the next

meeting of the Committee is, in the context of the current environment, a substantial time in the future and it would be appreciated knowing what Directorates are doing differently to reach KPIs.

- 4.6 The Committee enquired about the Housing Service's Community Thursdays and that it would be appreciated if feedback from residents could be communicated. Debbie Jackson provided the Committee with an overview of Community Thursdays. Neil Wightman (Director of Housing) informed the Committee that residents are happy with the face-to-face engagement and the introductions to the new Housing Officers. Residents would however prefer there to be more communication and, face-to-face conversations and early engagement, especially around major works. The Committee was pleased to note that the Housing Service had knocked on over 2.5 thousand doors in 10 weeks and had spoken to over 700 residents in that time through the Community Thursdays initiative. It was agreed that a printed copy of resident statements and perhaps a monthly bulletin would be investigated.
- 4.7 The Committee raised a query about the Future of Westminster Commission meeting on 21 June 2022 and whether feedback would be publicly available. The Committee was informed that Members would be updated in due course on this.
- 4.8 The Committee questioned the status of efforts to rectify the census results of the number of people who live and work in Westminster. The Committee was informed by Damian Highwood (Chief Analyst) that bi-lateral discussions had been held with ONS (Office for National Statistics) over the summer and ONS has acknowledged that the census is an undercount of Westminster's normal and true population. The Committee understood that this does not necessarily mean that the Council will agree with the ONS figures that will eventually be adjusted. It was agreed that the Committee would receive a briefing on the status of the census negotiations.
- 4.9 The Committee enquired about the rollout of the Monkeypox vaccinations and what was being done with partners to advertise the vaccine. Sarah Crouch (Deputy Director of Public Health) informed the Committee that the vaccine is effective, and the number of residents being vaccinated is being monitored. The Committee understood that the rollout followed a selective strategy as there had not been enough vaccine supply, but now that the recommended dosage has changed, an increased number of residents can be vaccinated with same amount of vaccine. The Committee was advised that the strategy focuses on reducing the exposure of people who are at the highest risk. The Committee acknowledged that there is potential for health inequalities and outreach is being undertaken to reach those who might not come forward for vaccines.
- 4.10 The Committee also asked what is being done to reduce health inequality in the context of the cost-of-living crisis. The Committee was advised by Sarah Crouch that specific residents are being identified based on current information and immediate demands, but upstream intervention is also being investigated as well as increasing the availability of green doctors. The

Committee noted that reducing inequalities is a common theme against everything the Public Health service undertake.

- 4.11 The Committee commented that vaccine uptake is generally low in Westminster and asked what is being done to mitigate this. Sarah Crouch advised that the Monkeypox take up is quite good but more needs to be done around outreach and ensuring it is an equal access offer. In terms of the COVID-19 vaccine, the response partially relates to the census and the number of residents who were available to take up vaccine and Officers are continuing to evaluate this. Whilst child vaccines are a concern, the Council has no direct responsibility for child immunisations as this now sits under the NHS but Officers have coordinated a pilot to interrogate the data, establishing what the Council can do to reach residents and hold partners to account. The Committee was also informed that flu clinics have been launched and NHS communications are being amplified and Officers are working across the Council, using networks and communication mechanisms available to reach communities.
- 4.12 The Committee asked a question around market practitioner events and how contractors and individuals had been selected for the events. Gerald Almeroth provided an overview of the Responsible Procurement Strategy which aims to engage with markets better. The Committee was informed that feedback had been given by the markets which included the establishment of industry-specific events. Debbie Jackson advised the Committee that the construction-specific event on 26 July 2022 was well attended and the Economy team used their sector-specific networks to spread the word. The Committee noted the importance of transparency and Gerald Almeroth stated it is recognised that public procurement is something that smaller companies find quite difficult, so the events allow small and medium enterprises to connect with the larger ones and facilitate opportunities to sub-contract with the larger contracts.
- 4.13 The Committee made an enquiry about the Queens Park Court, Adpar and Torridon construction stage. Debbie Jackson informed the Committee of the affordable housing delivery between the three schemes. The Committee was advised that the focus is on how the Council can maximise truly affordable housing, so Officers have been looking across the programme to see how the delivery of affordable housing can be most effective, for social rent homes in particular. The Committee understood that there is a full report which is going to go to Cabinet in October which will set out the programme and the work which is being done and it will include recommendations for detailed decisions relating to schemes.
- 4.14 The Committee stated that the report which has been provided is alarming and brought home how difficult the next quarters and years are likely to be. The Committee noted that Officers are doing their best to protect the vulnerable in Westminster and prioritise those who are going to be most affected by the cost-of-living crisis.
- 4.15 The Committee advised that they would like for the next quarterly report to include items such as: candy stores, Council tax and infills.



#### **4.16 RESOLVED:**

- 4.16.1 That the Committee noted the performance updates at Quarter 1.
- 4.16.2 That the Committee would receive a briefing on the status of the census negotiations.
- 4.16.3 That the Committee would be informed of the status of feedback of Future of Westminster Commission meeting on 21 June 2022.
- 4.16.4 That the Committee would receive KPI projections in the next Performance Report.
- 4.16.5 That the Committee would be updated on candy stores, Council tax and infills in the next Performance Report.

#### **5 QUARTER 1 FINANCIAL MONITOR**

- 5.1 The Committee received a summary from Jake Bacchus (Director of Finance) of the Council's 2022/23 Quarter 1 financial position to date and the forecast for the remainder of the year, based on activity trends and analysis to date. The Committee noted that, as at Quarter 1 of the 2022/23 Financial Year, the General Fund - Revenue is reporting a forecast overspend of £4.465m against a budget of £184.862m. As at Quarter 1, the capital programme for 2022/23 reflected a projected £69.296m gross expenditure variance and £47.541m net variance.
- 5.2 The Committee noted concern about the impact of the increased inflation rate and what the Council plans to do to meet this challenge. Jake Bacchus informed the Committee that there are management actions in train to mitigate the challenge of increased inflation. When the budget was set, CPI inflation rates were 5.4 percent but, at the time of the report being written in July 2022, rates were 10.1 percent. At the time of setting the budget, there was a provision put aside to match the 5.4 percent but there is now an overspend. The Committee was advised that to meet this challenge, Officers need to ensure approved savings targets are met in full and on time to contain the pressures of inflation. Other drivers of inflation are around contractors and suppliers, so Officers are undertaking proactive conversations and building relations to drive value out of contracts and operating in a granular method regarding how inflation is applied to contracts. The Committee was advised that there is a continuous feedback loop between contractors, procurement and Officers.
- 5.3 The Committee enquired about a scenario where the Government could cap the Housing Revenue Account (HRA) rent increase, but the Council is not reimbursed for additional costs. Gerald Almeroth advised the Committee that there is a consultation out at present that suggests different rent caps. The Committee understood that the Council has a 30-year business plan but if rents do not go up to cover increased costs or inflation, then this could impact other services, deplete the HRA and reduce borrowing ability. The Committee

was content to note that each contract manager is discussing this with suppliers.

- 5.4 The Committee noted that Children's Services is, at present, high risk. The Committee was informed by Sarah Newman that the Service is seeing increasing demand for support in families where children have SEN (Special Educational Needs). This is through the health and education care plans but also through transport costs and breaks to allow families to cope. The Committee understood that the Service is undertaking a review because whilst the child population is declining in Westminster, Officers are seeing an increased need for SEN support. Officers are also looking at how short breaks are facilitated to make it more cost effective.
- 5.5 The Committee also noted that the other challenge for Children's Services is looked after children and their placement costs. Over the last two years, the proportion of looked after children who are unaccompanied minors reduced and the number of children who are becoming looked after is increasing. The Council receives a grant from central Government to cover the cost of looked after children who are unaccompanied minors, but it does not receive a grant from those who are looked after generically, so the Service is seeing increased pressure around placement costs for those children. The Committee was concerned to note that these issues are only going to increase with the cost-of-living crisis and more pressure on family life. The Service is however mitigating this pressure by utilising local placements as opposed to purchasing independent placements, favouring extended family placements and, if the Service is commissioning external placements, then this is being done as economically as possible. The Committee was pleased to note that the Service is working with Councils across London to ensure that the commissioning framework is as economic as possible whilst providing the best care it can. It was agreed that the Committee would receive a synopsis of this work.
- 5.6 The Committee asked about the reserve for the Public Health department and was advised by Sarah Crouch that the reserves are around £4m but there is a strategy to bring the reserves down to the benchmarked £1.5m to alleviate the ongoing issue of non-recurrent funds. The Committee was informed of the strategy in place to invest £3.75m in a range of actions which will address issues like fuel poverty, homelessness, the environment residents live in and ensure that healthy choices are made easier.
- 5.7 The Committee made enquires on Council staff pay rises and the number of vacant full time equivalent posts. Jake Bacchus informed the Committee that the current pay rise proposal, which is based on current data, has been put to unions and this offers a flat increase rather than a percentage increase. The Committee understood from Gerald Almeroth that historically Westminster City Council has had a low turnover and Officers are working hard to reduce agency costs. The Committee was informed that this is not likely to change as the Council is still seen as an attractive and safe employer, but Officers are remaining confident rather than complacent. It was agreed that the Committee would receive a breakdown of staff turnover in the next report.

5.8 The Committee asked a question on the impact of inflation on Council reserves. The Committee was advised by Gerald Almeroth that the total cash portfolio reserve is managed through the Treasury Management function. The Council has significant flows of cash (around £1bn in cash) but, whilst, high risk investments are not viewed favourably, at present it is difficult to match high inflation with modest, safe returns. The Committee understood that the inflation rate has an effect on services that the Council purchases, and services are different, based on people and other external factors and indices. The Committee was also informed by Gerald Almeroth that interest gained from savings is potentially due to rise, however, borrowing plans for future funding and future capital schemes are made more expensive by inflation and risks the viability of the schemes.

5.9 The Committee queried the sum for the refurbishment of the Broadwick Street Auto Public Convenience under the Public Conveniences Renovation programme, and it was agreed that the Committee would receive a breakdown of costs on each refurbishment component of the programme. The Committee also asked about the Oxford Street District project and the underspend associated with the new administration reviewing the capital commitments that were underway.

**5.10 RESOLVED:**

5.10.1 That the Committee noted the current monitoring and forecast position at Quarter 1 for 2022/23.

5.10.2 That the Committee would receive a synopsis of the work Children's Services is undertaking in relation to looked after children and placement costs.

5.10.3 That the Committee would receive a breakdown of staff turnover in the next report.

5.10.4 That the Committee would receive a breakdown of costs on each refurbishment component of the Public Conveniences Renovation programme.

**6 WORK PROGRAMME**

6.1 The Committee held a discussion on the need for a potential emergency meeting in the context of the new Prime Minister and what is happening with the wider national economy. The Committee decided to wait to see projections which are due to come to the next meeting of the Committee.

The meeting ended at 19:45.

**CHAIR:** \_\_\_\_\_

**DATE** \_\_\_\_\_





<b>Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	31 October 2022
<b>Classification:</b>	General Release
<b>Title:</b>	Treasury Management Strategy Outturn 2021/22
<b>Wards Affected:</b>	All
<b>Policy Context:</b>	To manage the Council's finances prudently and efficiently
<b>Cabinet Member:</b>	Cabinet Member for Finance and Smart City
<b>Financial Summary:</b>	This report forms part of the monitoring of the treasury function as recommended in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice. It reviews the implementation of the strategy and final outturn position.
<b>Report of:</b>	Gerald Almeroth Executive Director for Finance and Resources
<b>Report Author:</b>	Mathew Dawson Strategic Finance Manager

## **1. EXECUTIVE SUMMARY**

1.1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.2. The purpose of this report is to:

- Present the Council's annual Treasury Management outturn report for 2021/22 in accordance with the Council's treasury management practices. It is a regulatory requirement for this outturn report to be presented to Council by the 30 September of each year.

1.3. Treasury management comprises:

- managing the City Council's borrowing to ensure funding of the Council's future capital programme is at optimal cost;
- investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security of capital and liquidity.

1.4. This report complies with CIPFA's Code of Practice on Treasury Management, and covers the following:

- Review of the Council's investment portfolio for 2021/22 to include the treasury position as at 31 March 2022.
- Review of the Council's borrowing strategy for 2021/22.
- Review of compliance with Treasury and Prudential Limits for year to 2021/22.
- Economic update for 2021/22.

1.5. The Council has complied with all elements of the Treasury Management Strategy Statement (TMSS).

## **2. RECOMMENDATIONS**

2.1. The Committee is asked to note the annual treasury management final outturn 2021/22.

## **3. TREASURY POSITION AS AT 31 MARCH 2022**

3.1. The Council's treasury management debt and investment position is organised by the Tri-Borough Treasury team in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established

both through member reporting, and through officer activity detailed in the Council's Treasury Management Practices (TMPs).

- 3.2. As at 31 March 2022, net cash invested was £156.3m, an increase of £29.1m on the position at 31 March 2021 as shown below:

	31 March 2022 (£m)	31 March 2021 (£m)
<b>Total Borrowing</b>	(298.2)	(206.1)
<b>Total Cash Invested</b>	454.5	333.3
<b>Net Cash Invested</b>	<b>156.3</b>	<b>127.2</b>

### Investments

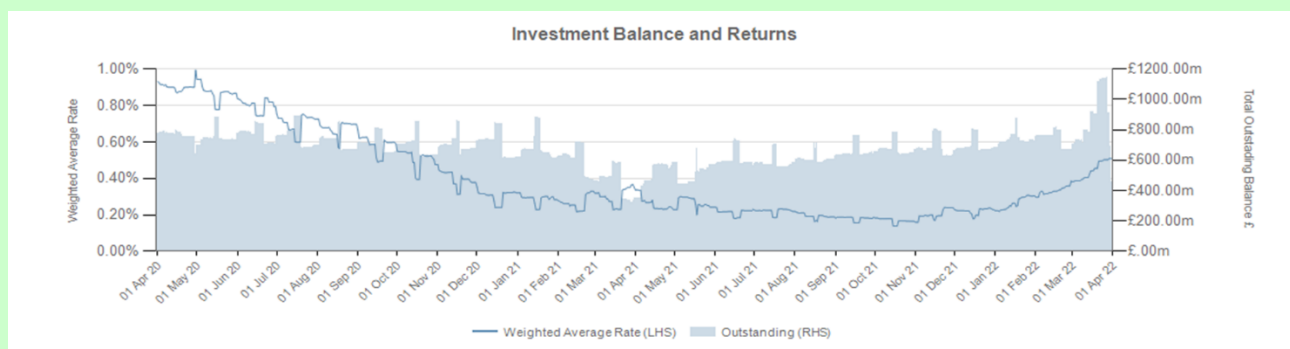
- 3.3. The Council's Annual Investment Strategy which forms part of the annual Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by the Council on 3 March 2021. The Council's policy objective is the prudent investment of balances to achieve optimum returns on investments, subject to maintaining adequate security of capital and a level of liquidity appropriate to the Council's projected need for funds over time.
- 3.4. The table below provides a breakdown of investments, together with comparisons for the previous financial year end.

	Investment Balance 31 March 2022 (£m)	Investment Balance 31 March 2021 (£m)	Movement (£m)
<b>Money Market Funds</b>	71.5	77.8	-6.3
<b>Notice Accounts</b>	30.0	20.0	10.0
<b>Term Deposits</b>	353.0	235.5	117.5
<b>Total:</b>	<b>454.5</b>	<b>333.3</b>	<b>121.2</b>

- 3.5. Liquid balances are managed through Money Market Funds, providing same day liquidity. Cash has also been invested in less liquid instruments, particularly term deposits. The average level of funds available for investment in 2021/22 was £657.2m.
- 3.6. Daily investment balances have steadily increased from £333.3m at 31 March 2021 to £454.5m at 31 March 2022.
- 3.7. The table below provides a more detailed breakdown of the Council's treasury investment position and interest rate received as at 31 March 2022:

	Investment Balance (£m)	Interest Rate (%)
<b>Money Market Funds</b>	71.5	0.53
<b>UK Banks</b>	170.0	0.45
<b>Non UK Banks</b>	85.0	0.75
<b>UK Government</b>	110.0	0.19
<b>Local Authorities</b>	18.0	1.74
<b>Total:</b>	<b>454.5</b>	<b>0.51</b>

- 3.8. Over the last two years, the coronavirus outbreak has caused huge economic damage to the UK and to the global economy. After the Bank of England took emergency action in March 2020 to cut the Bank Rate to 0.10%, it left the Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.
- 3.9. Investment returns remained close to zero for much of 2021/22. The expectation for interest rates within the treasury management strategy for 2021/22 was that the Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates was no longer needed.
- 3.10. While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 3.11. Surplus cash for investment remained high throughout the year and the weighted average rate has increased since the start of April 2021. The level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Council's capital programme.



- 3.12. The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that, for most of the year, there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained very low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the effects of growing levels of inflation (CPI was 7.0% in March 2022).
- 3.13. All investment/overdraft limits specified in the 2021/22 investment strategy have been complied with.
- 3.14. The table below shows the forecast investment income to be achieved in the year: budget versus actual and the variance. The Council's budgeted investment return for 2020/21 was £2.013m, and performance for the year is £3.779m above budget.



Year 2021/22	Budget £000	Actual £000	Variance £000
<b>Investment Income</b>	2,013	5,792	3,779

3.15. Appendix 1 provides a full list of the Council's limits and exposures as at 31 March 2022.

## Borrowing

3.16. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2021/22 unfinanced capital expenditure, and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

3.17. A key part of the Council's treasury activities is to address the funding requirements for this borrowing need. The treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, such as the Government, through the PWLB, or the money markets, or utilising temporary cash resources within the Council.

3.18. At £298.2m, the Council's borrowing at 31 March 2022 was within the Prudential Indicator for external borrowing, namely, that borrowing should not exceed the estimated CFR for 2021/22 of £1,111m. The final CFR for 2021/22 was £998m.

3.19. During 2021/22, the Council maintained an under-borrowed position of £700m. This meant that the Capital Financing Requirement was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on the placing of treasury investments also needed to be considered.

3.20. The table below shows the details around the Council's external borrowing as at 31 March 2022, split between the General Fund and HRA.

Total Borrowing	31 March 2021 (£m)	31 March 2022 (£m)
HRA	181.0	175.6
General Fund	25.1	122.6
<b>Total Borrowing</b>	<b>206.1</b>	<b>298.2</b>

3.21. The breakdown of the existing loans is shown below:

Borrowing Type	Loan Balance 31 March 2021 (£m)	Loan Balance 31 March 2022 (£m)	Movement (£m)
PWLB	136.0	130.6	-5.4
LOBO	70.0	70.0	0.0
Mortgage Annuity	0.1	0.1	0.0
Private Placement	0.0	37.5	37.5
Local Authority	0.0	60.0	60.0
<b>Total:</b>	<b>206.1</b>	<b>298.2</b>	<b>92.1</b>

3.22. During 2021/22, the Council repaid a £5.4m PWLB loan and £0.048m principle of mortgage annuity loans using investment balances. The first advance from the forward borrowing loans from Phoenix group totalling £37.5m was received in March 2022 and the Council was also required to take £60.0m of short term loans from other local authorities at year end. These loans were for an average duration of 35 days and all were fully repaid by 4<sup>th</sup> May 2022.

### Forward Borrowing

3.23. As anticipated in the TMSS 2021/22, the Council took no additional long-term borrowing for the financial year due to the high level of cash holdings. Officers are monitoring market conditions and reviewing the need to borrow at current low rates if a requirement is identified for either the General Fund or Housing Revenue Account (HRA). The monitoring process includes the setting of various trigger points, the breaking of which will require officer consideration of borrowing requirements and market conditions.

3.24. Due to the overall financial position and the underlying need to borrow for capital purposes, it is prudent for the Council to lock in affordability by placing some forward borrowing for the amounts it can be relatively certain it will need, while maintaining some forward flexibility as projects may or may not proceed within the expected timeframes.

3.25. During the financial year 2019/20, the Council arranged forward borrowing loans totalling £400m. These loans have enabled the Council to agree competitive rates in advance of need which eliminates the “cost of carry”, i.e., the difference between loan interest cost and the rate of return on cash investments.

3.26. An analysis of these loans can be found in the table below.

Counterparty	Amount (£m)	Start Date	Maturity Date	Rate (%)	Profile
Phoenix Group	37.5	15 March 2022	15 March 2062	2.706	Annuity
Barings LLC	150.0	15 August 2022	15 August 2052	1.970	Maturity
Phoenix Group	12.5	15 March 2023	15 March 2063	2.751	Annuity
Rothsay Life Plc	200.0	08 May 2023	08 May 2063	2.887	Equal Instalment of Principal
<b>Weighted average interest rate</b>	<b>400.0</b>			<b>2.579</b>	

## Compliance with Treasury Limits and Prudential Indicators

3.27. During the financial year to 31 March 2022, the Council operated within the Treasury Limits and Prudential Indicators set out in the TMSS approved by Council on 3 March 2021 as set out below.

PI Ref		2021/22 Forecast	2021/22 Actual	Indicator Met?
1	Capital expenditure	£436m	£351m	Met
2	Capital Financing Requirement (CFR)	£1,111m	£998m	Met
3	Net debt vs CFR	£873m underborrowing	£700m underborrowing	Met
4	Ratio of financing costs to revenue stream	GF (10.33)% HRA 45.15%	GF 1.57% HRA 45.15%	Met
5a	Authorised limit for external debt	£1,162m	£1,050m	Met
5b	Operational debt boundary	£289m	£298m	Met
6	Working Capital Balance	£0m	£0m	Met
7	Limit on surplus funds invested for more than 364 days (i.e. non specified investments)	£18m	£18m	Met
8	Maturity structure of borrowing	Upper limit under 12 months: 40% Forecast: 0% Lower limit 10 years and above: 35% Forecast: 64%	Upper limit under 12 months: 20% Lower limit 10 years and above: 53%	Met

## Capital Expenditure and Borrowing Limits

3.28. Capital expenditure to 31 March 2022 totalled £351m for the General Fund and the HRA against a forecast for the whole year of £436m. The Council has embarked on an ambitious capital programme with a plan to invest up to £2.862bn (general fund) over the next 15 years.

3.29. The impact on the Council's Capital Financing Requirement is also shown in the table below:

	2021/22 Indicator (£m)	2021/22 Actual (£m)
<b>General Fund Capital Expenditure</b>	271	187
<b>HRA Capital Expenditure</b>	165	164
<b>Total Capital Expenditure</b>	<b>436</b>	<b>351</b>
<b>Financed by:</b>		
<b>Capital Receipts</b>	37	59
<b>Capital Grants</b>	156	131
<b>Funded from Revenue</b>	0	6
<b>Major Repairs Allowance</b>	24	20
<b>Prudential Borrowing</b>	219	135
<b>Total Finance</b>	<b>436</b>	<b>351</b>

	General Fund £m	Housing Revenue Account £m	Total £m
<b>Adjusted Opening CFR 31/03/2021</b>	583	300	883
<b>Prudential Borrowing in 2021/22</b>	128	64	192
<b>Capital Receipts applied to reduce CFR</b>	-21	-38	-59
<b>Minimum Revenue Provision</b>	-18	0	-18
<b>MRP in respect of Other Long Term Liabilities</b>	0	0	0
<b>Closing CFR</b>	<b>672</b>	<b>326</b>	<b>998</b>

3.30. External borrowing was well within the Capital Financing Requirement, Authorised Borrowing Limit and the Operational Boundary:

- The Authorised Limit is a level for which the external borrowing cannot be exceeded without reporting back to Full Council. It therefore provides sufficient headroom such that in the event that the planned capital programme required new borrowing to be raised over the medium term, if interest rates were deemed favourable and a thorough risk analysis determined, the cost of carry was appropriate, this borrowing could be raised ahead of when the spend took place.
- The Operational Boundary is set at a lower level and should take account of the most likely level of external borrowing. Operationally, in accordance with CIPFA best practice for Treasury Risk Management, a liability benchmark is used to determine the point at which any new external borrowing should take place. Officers are monitoring the need for new borrowing in the short/medium term.

3.31. The purpose of the maturity structure of borrowing indicator is to highlight any potential refinancing risk that the Council may be facing if in any one particular period there was a disproportionate level of loans maturing. The table below shows that the maturity structure of the Council's borrowing as at 31 March 2022 was within the limits set and does not highlight any significant issues.

Actual Maturity at 31 March 2022	Duration	Upper Limit	Lower Limit
20	Under 12 Months	40	0
4	12 Months and within 24 Months	35	0
8	24 Months and within 5 Years	35	0
15	5 Years and within 10 Years	50	0
53	10 Years and Above	100	35

- 3.32. The purpose of the interest rate exposure indicators is to demonstrate the extent of exposure to the Council from any adverse movements in interest rates. The table at paragraph 3.26 shows that the Council is not subject to any adverse movement in interest rates as it only holds fixed interest borrowing.
- 3.33. The average rate on the fixed interest borrowing is 3.26% with an average redemption period of 19 years. This reflects the historical legacy of borrowing taken out some years ago which is now higher than current PWLB interest rates for comparable loans if they were taken out at today's levels. Officers have considered loan refinancing but premia for premature redemptions are prohibitively high, making this option poor value for money.
- 3.34. The Council's borrowing portfolio contains £70m of Lender Option Borrower Option loans (LOBOs). These are long-term loans of up to 60 years, which are subject to periodic rate re-pricing. The rates were comparable with loans for similar durations provided by the PWLB. There is some refinancing risk associated with these loans because of the lender option to redeem. Some banks are offering premature repayment or loan conversion for LOBOs to fixed term loans and officers will remain alert to such opportunities as they arise.

### **Investment limits**

- 3.35. There are no deposits in non-specified investments as at 31 March 2022 as all of the Council's investments have a life of less than 12 months. The highest level of non-specified investments during the year was £18.0m, which is well within the limit of £450.0m for such investments.
- 3.36. While the short duration is within approved limits, there is scope within the Investment Strategy to extend the duration of investments for up to five years. Using longer duration investments and marginally lower credit ratings is likely to increase the yield the Council earns from its investments.
- 3.37. There is likely to be a further rise in short dated gilt yields and PWLB rates over the next three years. The Bank of England is embarking on a process of Quantitative Tightening, whereby the Bank's £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.

## **4. THE ECONOMY AND INTEREST RATES**

- 4.1. The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation.
- 4.2. Gilt yields fell towards the back end of 2021 but, despite the war in Ukraine, gilt yields have shot higher in early 2022. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.
- 4.3. Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April 2022 utilities prices, as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1 April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.
- 4.4. Average inflation targeting was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2.0%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2.0% target sustainably." That mantra now seems very dated. Inflation is a threat and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.
- 4.5. Until recent years, global growth has been boosted by increasing globalisation, i.e., countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for 18% of total world GDP (the USA accounts for 24%), and Russia's recent invasion of Ukraine, has unbalanced the world economy.
- 4.6. In addition, after the pandemic exposed how frail extended supply lines were around the world, it is likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China (and to a much lesser extent Russia) to supply products and vice versa. This is likely to reduce world growth rates.

## **5. BACKGROUND**

- 5.1. The Local Government Act 2003 ("the Act") requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

## **6. FINANCIAL IMPLICATIONS**

- 6.1. Financial implications are contained in the body of this report.

## 7. LEGAL IMPLICATIONS

7.1. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This report assists the Council in fulfilling its statutory obligation under the Act to monitor its borrowing and investment activities.

7.2. Legal implications verified by Michael Carson, Principal Solicitor Employment, Criminal and Commercial Litigation.

## 8. BACKGROUND PAPERS

### Full Council Report

Treasury Management Strategy Statement 2021/22, including Prudential Indicators and Statutory Borrowing Determinations: 3 March 2021.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

**Mathew Dawson, Strategic Finance Manager**

**Tel: 020 7641 1075**

**Email: [mdawson@westminster.gov.uk](mailto:mdawson@westminster.gov.uk)**

### Limits and exposures as at 31st March 2022

### Appendix 1

Category	Limit per Counterparty (£m)	Duration Limit	Counterparty Name	Current Exposure (£m)	Interest Rate (%)
UK Local Authorities	£100m per Local Authority; £500m in aggregate	3 years	Cardiff Council	8.0	1.80
			Dudley Metropolitan Borough Council	10.0	1.70
DMO Deposits	Unlimited	6 months	DMADF	30.0	0.05
			DMADF	30.0	0.03
			DMADF	30.0	0.26
			DMADF	20.0	0.55
Money Market Funds	£70m per fund. £300m in aggregate.	Three day notice	Aberdeen Sterling Liquidity Fund	26.0	
			JP Morgan Sterling Liquidity Fund	45.5	
UK Banks (A-/A3/A)	£50m	3 years	Goldman Sachs International	20.0	0.34
			Goldman Sachs International	20.0	0.65

			National Westminster Bank	20.0	0.36
	£50m	3 years	National Westminster Bank	20.0	0.62
			National Westminster Bank	10.0	0.82
	£50m	3 years	Santander UK Bank	20.0	0.20
			Santander UK Bank	10.0	0.20
	£50m	3 years	Standard Chartered Bank	30.0	0.50
			Standard Chartered Bank	20.0	0.38
Non-UK Banks (AA-/Aa2/ AA-)	£50m	5 years	Toronto Dominion Bank	20.0	0.75
			Toronto Dominion Bank	20.0	0.40
			Toronto Dominion Bank	10.0	0.86
Non-UK Banks (A/A2/A)	£35m	3 years	Australia and New Zealand Banking Group	30.0	0.93
			Australia and New Zealand Banking Group	5.0	0.86
<b>TOTAL</b>				<b>454.5</b>	<b>0.51</b>





## Audit and Performance Committee Report

<b>Date:</b>	31 October 2022
<b>Classification:</b>	General Release
<b>Title:</b>	<b>2022/2023 Work Programme</b>
<b>Report of:</b>	Head of Governance and Councillor Liaison
<b>Wards Involved:</b>	N/A
<b>Report Author and Contact Details:</b>	<b>Richard Cressey</b> <a href="mailto:Rcressey@westminster.gov.uk">Rcressey@westminster.gov.uk</a>

### 1. Executive Summary

- 1.1 This report requests the Committee Members to consider the updated Work Programme for the 2022/2023 municipal year attached at Appendix 1, and to confirm the agenda items for its next meeting on 29 November 2022.
- 1.2 The Committee is asked to note the actions which arose from its meeting on 21 July 2022, as detailed in Appendix 3.

### 2. Recommendations

It is recommended that the Committee:

- 2.1 Agree the agenda items for its meeting on 31 October 2022, as set out in this report and Appendix 1; and
- 2.2 Consider items for the future Work Programme for 2022/2023

### 3. Selecting items for the Work Programme

- 3.1 The draft Work Programme for 2022/23 is attached at Appendix 1 to the report. The remaining scheduled meetings for the current municipal year are:
  - 29 November 2022; and
  - 23 February 2023.
- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee (attached to this report as Appendix 2) which may assist the Committee in identifying issues to be included in the Work Programme.

- 3.3 As members are aware, the Work Programme will be reviewed at each meeting of the Committee and items can be removed or added as necessary.
- 3.4 The Committee is asked to reflect on agenda items for its meeting on 29 November 2022.
- 3.5 Members also may wish to suggest items for inclusion in the Work Programme, subject to the Committee's terms of reference.

#### **4. Task Groups**

- 4.1 There are no Task Groups operating at present.

#### **5. Monitoring Actions**

- 5.1 The actions arising from each meeting are recorded in the Action Tracker attached as Appendix 3. Members are invited to review the work undertaken in response to those actions.

#### **6. Resources**

- 6.1 There is no specific budget allocation for the Audit and Performance Committee.

**If you have any queries about this report or wish to inspect any of the background papers, please contact Clare O'Keefe.**

[cokeefe@westminster.gov.uk](mailto:cokeefe@westminster.gov.uk)

Appendix 1: Work Programme  
Appendix 2: Terms of Reference  
Appendix 3: Action Tracker

## Work Programme – Audit and Performance Committee

<b>ROUND 5</b>		
<b>29 November 2022</b>		
<b>Agenda item</b>	<b>Purpose</b>	<b>Officer</b>
Q2 finance monitor	To monitor the City Council’s financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.	Gerald Almeroth Jake Bacchus (Finance)
Quarterly Performance Report (July-Sept 22/23)	To monitor the quarterly performance results.	Pedro Wrobel Mo Rahman (Performance)
Review of the Internal Audit Charter	To review the Council’s Internal Audit Charter which is maintained by the Shared Services Director for Internal Audit, Fraud, Risk and Insurance in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS)	David Hughes Moira Mackie (Internal Audit)
Internal Audit Progress Report	To update the committee on the recruitment of an independent member.	David Hughes Moira Mackie (Internal Audit)
Mid-Year Counter Fraud Report	To oversee and monitor the success of the Counter Fraud Service	David Hughes Andy Hyatt (Corporate Anti-Fraud Service)
Review of Anti-Fraud Policies	To review and approve the following which are maintained by the Corporate Anti-Fraud Service: - Whistleblowing Policy; - Fraud Response Plan; - Anti-Bribery Policy; and - Anti-Money Laundering Policy (including procedures)	David Hughes Andy Hyatt (Corporate Anti-Fraud Service)
Treasury Management Strategy Mid-Year Review	To review the Treasury Management Mid-Year Strategy	TBC
General Procurement Update		Caron Smith (Procurement)
Contract and Supplier Performance Report		Caron Smith (Procurement)
Corporate Complaints report	To consider the Corporate Complaints Annual Review	TBC
Work Programme 2022/2023	To review the work programme for the remainder of the municipal year	Artemis Kassi

Identify some time to undertake the Review of Effectiveness of the Audit Committee (could be reported separately in February 2023 or included in Annual Report in June/July 2023).  
Review to be undertaken between September and January.

<b>ROUND 6 23 February 2023</b>		
<b>Agenda item</b>	<b>Purpose</b>	<b>Officer</b>
Q3 finance monitor	To monitor the City Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.	Gerald Almeroth Jake Bacchus (Finance)
Quarterly Performance Report (Oct – Dec 22/23)	To monitor the quarterly performance results.	Pedro Wrobel Mo Rahman (Performance)
Internal Audit Progress Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework	David Hughes Moirra Mackie (Internal Audit)
Internal Audit Plan 2023/24	To review and comment on the draft audit plan for 2023/24	David Hughes Moirra Mackie (Internal Audit)
Ethical Standards report	To maintain an overview of the arrangements in place for maintaining high ethical standards throughout the City Council.	Parveen Akhtar/ Hazel Best/ Joyce Golder / David Hughes / Lee Witham
External Audit Plan	To receive an overview of the planned scope and timing of the statutory audits of the City of Westminster and the Westminster Pension Fund	Gerald Almeroth (Finance)
Work Programme 2022/2023	To review the work programme for the remainder of the municipal year	Artemis Kassi

<b>ROUND 7 TBC 2023</b>		
<b>Agenda item</b>	<b>Purpose</b>	<b>Officer</b>
Internal Audit Progress Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework	David Hughes Moira Mackie (Internal Audit)
Work Programme 2023/2024	To review the work programme for the 2023/ 2024 municipal year	Artemis Kassi

<b>Suggestions for June/ July 2023</b>		
<b>Agenda item</b>	<b>Purpose</b>	<b>Officer</b>
Internal Audit Progress Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework	David Hughes Moira Mackie (Internal Audit)
Counter Fraud End of Year Report	To oversee and monitor the success of the Counter Fraud Service.	David Hughes Andy Hyatt (Corporate Anti-Fraud Service)
Annual Report of the Committee (for submission to Full Council)*  *not completed last year due to timing/ elections etc	To receive the Annual Opinion report on overall adequacy and effectiveness of the organisation's framework of governance, risk management and control	Report of the Committee Chair can be supported by David Hughes and Moira Mackie (Internal Audit)

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## **AUDIT AND PERFORMANCE COMMITTEE**

### **COMPOSITION**

4 Members of the Council, 3 Majority Party Members and 1 Minority Party Member, but shall not include a Cabinet Member.

### **TERMS OF REFERENCE**

#### Audit Activity

1. To consider the head of internal audit's annual report including the auditor's opinion on the Council's control environment and a summary of internal audit and anti-fraud activity and key findings.
2. To consider reports, at regular intervals, which summarise: the performance of the Council's internal audit and anti fraud service provider/s audits and investigations undertaken and key findings progress with implementation of agreed recommendations
3. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
4. To consider specific reports as agreed with the external auditor.
5. To comment on the scope and depth of external audit work and to ensure it gives value for money.
6. To liaise with the Audit Commission over the appointment of the Council's external auditor.
7. To comment on the proposed work plans of internal and external audit.

#### Regulatory Framework

8. To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
9. To review any issue referred to it by the Chief Executive or a Director, or any Council body.
10. To monitor the effective development and operation of risk management and corporate governance in the Council.
11. To monitor Council policies on 'Raising Concerns at Work', the Council's complaints process and the Antifraud and Corruption Strategy; specifically the effectiveness of arrangements in place to ensure the Council is compliant with the Bribery Act 2010.
12. To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
13. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

14. To consider the Council's compliance with its own and other published standards and controls.
15. To maintain an overview of the arrangements in place for maintaining High Ethical Standards throughout the Authority and in this context to receive a report annually from the Director of Law and the Chief Finance Officer.

#### Accounts

16. To review the annual statement of accounts and approve these for publication. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
17. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

#### Performance Monitoring

18. To review and scrutinise the financial implications of external inspection reports relating to the City Council.
19. To receive the quarterly performance monitoring report and refer any issues which in the Committee's view require more detailed scrutiny to the relevant Policy and Scrutiny Committee.
20. To review and scrutinise personnel issues where they impact on the financial or operational performance of the Council including but not limited to agency costs, long-term sickness, ill health early retirements and vacancies; and
21. To review and scrutinise Stage 2 complaints made against the City Council and monitor progress.
22. To consider and advise upon, prior to tender, the most appropriate contractual arrangements where a proposed contract has been referred to the Committee by the Chief Executive.
23. To maintain an overview of overall contract performance on behalf of the Council.
24. To review and scrutinise contracts let by the Council for value for money and adherence to the Council's Procurement Code.
25. To review and scrutinise the Council's value for money to Council tax payers.
26. To scrutinise any item of expenditure that the Committee deems necessary in order to ensure probity and value for money.

#### Staffing

27. To advise the Cabinet Member for with responsibility for Finance on issues relating to the remuneration of all staff as necessary.
28. In the course of carrying out its duties in respect of 27 above, to have regard to the suitability and application of any grading or performance related pay schemes operated, or proposed, by the Council



**Appendix 3 - ACTION TRACKER**  
**Audit and Performance Committee**

<b>ROUND 1</b> <b>27 June 2022</b>		
Agenda Item	Action	Status/Follow Up
N/A	N/A	N/A

<b>ROUND 2</b> <b>21 July 2022</b>		
Agenda Item	Action	Status/Follow Up
Item 4 Update on Performance Management	That the Committee would receive the next Quarterly Performance Report ahead of publishing and ask any relevant questions of officers.	Complete
	That the Chair would meet with report authors ahead of the next meeting of the Committee.	Complete
Item 5 Revenue and Capital Outturn 2021/2022	That the case of improving the service of Sayers Croft would be investigated.	In progress
Item 6 Statement of Accounts 2021/2022	That the Committee would receive a summary of the last five years of changes to the balance sheet from the Director of Finance.	In progress
Item 8 Counter Fraud End of Year Report 2021/2022	That the Committee would be provided with background information setting out how the team figure out notional values.	Complete
	That the Committee would be provided with more information regarding the changing landscape of fraud when the six-monthly report is presented to the Committee.	In progress – to include in report in November
	That the Committee would receive a breakdown of the work solely undertaken by Council officers and jointly with other organisations.	In progress – to include in report in November
	That the Committee would be updated on the figures presented in 6.18 and 7.5 of the report.	In progress
	That the Committee would be provided with an update on the actions taken to recover funds noted in 6.19 of the report.	In progress

Item 9 Any other business	The Committee commented that they would find it useful to have an additional agenda item to set out the Committee's work programme. The Policy and Scrutiny Advisor and officers agreed to work together, and with the Chair, to pull a work programme together.	Complete
	The Committee advised that they prefer to receive the agenda and papers at least 7 full days in advance to the Committee meeting.	In progress

<b>ROUND 2 7 September 2022</b>		
Agenda Item	Action	Status/Follow Up
Item 4 Quarterly Performance Report 2022/23	That the Committee would receive a briefing on the status of the census negotiations.	In progress
	That the Committee would be informed of the status of feedback of Future of Westminster Commission meeting on 21 June 2022.	In progress
	That the Committee would receive KPI projections in the next Performance Report.	In progress
	That the Committee would be updated on candy stores, Council tax and infills in the next Performance Report.	In progress
Item 5 Quarter 1 Financial Monitor	That the Committee would receive a synopsis of the work Children's Services is undertaking in relation to looked after children and placement costs.	In progress
	That the Committee would receive a breakdown of staff turnover in the next report.	In progress
	That the Committee would receive a breakdown of costs on each refurbishment component of the Public Conveniences Renovation programme.	In progress
	The Committee advised that they prefer to receive the agenda and papers at least 7 full days in advance to the Committee meeting.	In progress