



CITY OF WESTMINSTER

MINUTES

Audit and Performance Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** held on **Thursday 5 September, 2024**, Rooms 18.01-03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Md Shamsed Chowdhury, Paul Fisher, Ian Rowley and Aziz Toki (Chair).

Independent Person Present: Mark Maidment.

Also Present: Gerald Almeroth (Executive Director of Finance and Resources), Nick Byrom (Strategic Performance Manager), Ed Humphreys (Director of Commercial Partnerships), Debbie Jackson (Executive Director of Regeneration, Economy and Planning), Sarah Newman (Bi-Borough Executive Director of Children's Services), Clare O'Keefe (Lead Policy and Scrutiny Advisor), Stuart Reilly (Head of Strategic Service Change), Jane Reynolds (Head of Legal Services), Sophie Shore (Director of Strategy and Intelligence), Rikin Tailor (Director of Finance), Gareth Wall (Bi-Borough Director of Integrated Commissioning), Sarah Warman (Strategic Director of Housing and Commercial Partnerships), and Claire Weeks (Director of People and Culture).

1 MEMBERSHIP

- 1.1 The Committee noted that Jessica Toale had resigned as a Councillor and sent apologies and that Councillor Md Shamsed Chowdhury was attending as substitute.
- 1.2 The Committee welcomed Councillor Ian Rowley to its membership, replacing Councillor Alan Mendoza.

2 DECLARATIONS OF INTEREST

- 2.1 The Committee noted that there were no declarations of interest.

3 MINUTES

- 3.1 The Committee approved the minutes of its meeting on 18 July 2024.

RESOLVED:

- 3.2 That the minutes of the meeting held on 18 July 2024 be signed by the Chair as a correct record of proceedings.

4 MATTERS ARISING AND WORK PROGRAMME

- 4.1 The Committee noted the work programme set out in the Committee's report and discussed several potential items for the work programme, or for inclusion in future, planned, items on the work programme.
- 4.2 The Committee discussed the Pension Fund Strategy, the importance of examining the assumptions underpinning the Strategy and the benefits of the Committee engaging with the actuaries after the triennial actuarial review. The Committee understood that the Pension Fund accounts will be signed off alongside the Audited Accounts and Final Statement of Accounts at the Committee's meeting on 25 November 2024 and requested that information be given on when the Pension Fund Strategy is next reviewed.
- 4.3 The Committee stressed the importance of regularly reviewing the General Fund reserves as well as the Capital Programme and requested that more detail should be provided on these matters in the Quarter Two Finance Monitor, due at the Committee's meeting on 25 November 2024.
- 4.4 The Committee also referenced the Committee's Terms of Reference where it has a role to not only review the performance of internal Council activity but also the performance of external bodies, such as the NHS and Metropolitan Police. The Committee was reminded that where there are performance issues which impact Council activities, it can invite external bodies to produce information and hold them to account.

ACTIONS

- 4.5 That the Committee will be provided with information relating to the triennial actuarial review and subsequent Pension Fund Strategy review.
- 4.6 That the Quarter Two Finance Monitor will set out the General Fund reserves and the Capital Programme in greater detail.

5 Q1 PERFORMANCE REPORT

- 5.1 The Committee received an introduction from Nick Byrom (Strategic Performance Manager) and noted the report covers Quarter One, the period from April to June 2024, and that the next report due at the Committee meeting on 25 November 2024 will give a more accurate forecast of the year-end position. The report includes several additional KPIs across the directorates and the officers who regularly provide performance information were thanked. The Committee also noted this report includes the requested information on Housing Services complaints and repairs, and that the report on Temporary Accommodation will be considered at the next meeting of the Committee on 22 October 2024.

- 5.2 The Committee queried the implications of the Local Electric Vehicle Infrastructure funding no longer suiting the Council's strategic interests and noted that the terms had changed after the bidding process.
- 5.3 The Committee asked whether insourcing elements of the Housing Solutions Service would lead to savings and service improvements for residents. The Committee was informed that part of the Reshaping Housing Solutions programme was about investment in this front-line service, both in terms of ensuring demand at the front-door continues to be met, but crucially that the Council are investing in early intervention and prevention services. Work will commence to consider how earlier, place-based, community intervention can be designed with residents and partners including those from the voluntary sector, to deliver a more effective prevention model. The Committee noted that investing in this way will be an invest-to-save proposal given that every household diverted away from temporary accommodation reduces spend. The Committee was informed that the financial impact of this decision will feed through into the MTFP planning process currently underway. The Committee also noted that once the elements of the service are insourced into direct Council control from April 2025, there will be a second decision point regarding how best to deliver the remaining elements of the service.
- 5.4 The Committee was pleased to note that the supply plan set out for Temporary Accommodation for 24/25 including reducing the use of the more expensive nightly accommodation is on track and looks forward to receiving the full report at its meeting on 22 October 2024. The Committee discussed demand levels and noted that the Service are currently developing a forecasting model to help inform future the medium-term strategy for Temporary Accommodation. The Committee also queried the movement between Temporary Accommodation placements for those who are facing homelessness and requested that this data, including hotel usage, is included in the upcoming report.
- 5.5 The Committee was encouraged by the focus on first time fixes for repairs in the Housing Service and the improved communication level with residents. The Committee queried the predicted overspend at year-end and noted the pressure on the Service to offer a responsive repairs service whilst facing increasing demand, inflation and market pressures. The Committee was pleased to note that the Service will look to right-size the budget over the course of the year, including undertaking several programmes to identify activity and understand variables, to ensure that suitable allocations are made in the HRA budget. The Committee also held a discussion on repairs data for non-emergency repairs and noted that the Service is working intensively with contractors to improve performance.
- 5.6 The Committee recognised that schools falling into deficit is still a risk that the Council faces and queried if it is prepared to meet the potential financial liability. The Committee noted that the number of schools at risk of falling into deficit has decreased from 15 to 13, and officers work with schools closely to reduce their deficit. The Committee was informed that action has been taken across the City to federate or amalgamate schools, with conversations still ongoing with school governors to mitigate the deficit risks.

- 5.7 The Committee noted the plethora of mitigations being undertaken to reach the Council's net zero targets and queried the confidence of officers that this action is at an adequate level to meet the 2023 and 2040 targets. The Committee understood that there is a good understanding of the issues faced to reach the targets and research, as well as work with partners, continues actively.
- 5.8 The Committee was pleased to note the Council's accepting and open approach to the upcoming Regulator of Social Housing inspection which is being used as an opportunity to learn. The Committee understood that the housing inspection regime is new, and officers have been working hard to ensure compliance with the regulatory standards and remain committed to improvements across the service. The Committee understood that officers are keeping abreast of the judgements of other local authorities' inspections to date.
- 5.9 The Committee was also pleased to note that the performance of complaints has improved since last year. Performance in relation to timeliness is close to the London median as indicated by benchmarked data and is expected to reach the upper quartile in coming months. The Committee was informed that improvement will continue to be seen and there is confidence that not only the numbers will improve but that standards, relating to housing stock and repairs, will be met in the first place before things get to the stage where a complaint is made.
- 5.10 The Committee queried why the percentage of 'non-major' planning applications determined within statutory timescales is not on target. The Committee understood that whilst there has not been a dip in the Council's performance, it is not where it should be considering London averages. Officers are focusing on the monitoring and improvement framework and workstreams are ongoing to examine process, validation of planning applications and digital efficiencies. The Committee requested that the monitoring framework and indicators are shared. The Committee emphasised the usefulness of seeing volume against performance and noted that this is set out in the Quarter One Finance Monitor.
- 5.11 The Committee raised concern that the percentage of calls answered in 30 seconds in the corporate contact centre was 20 percent below target at Quarter One but noted the reasons for this in the report and was reassured that performance in July and August was just over 90 percent, meaning the year-end target is currently on track to be met. The Committee queried why the percentage of all high-risk food premises inspected was off-target and was informed of the backlog of legacy enforcement action and the ongoing work to address this.
- 5.12 The Committee asked about Digital Ambassadors, their roles and cost to the Council. The Committee was advised that the Council works with volunteer groups in the community to enable them to become Digital Ambassadors so they can help improve digital literacy and reduce digital exclusion within their communities. The Committee also queried the Church Street regeneration scheme and its remit.

- 5.13 The Committee queried how the Helping Hands Programme has been addressing serious violence and robbery and understood that grassroots community organisations have been coming together to tackle incidents, particularly relating to serious youth violence in the north of the City. The Committee requested that data on serious youth violence across the City be shared.
- 5.14 The Committee noted the North Paddington Community-based schemes in operation across Harrow Road, Queen's Park and Westbourne and asked if there are any similar projects in the south of the City. The Committee was informed that there is work underway regarding a project in Pimlico intending to respond to the unique characteristics of that area, similar to the work across the North Paddington Programme. The Committee also discussed the new Council office in Harrow Road.
- 5.15 The Committee raised concern about the increasing strategic risk of failing to safeguard and protect children and vulnerable adults, and queried what strategies are in place for this to be managed. The Committee was informed that safeguarding risks are such that they will often not be without risk, and reassured that strategies are in place to manage them effectively, particularly in the difficult post-COVID-19 environment. The Committee noted that the Council has made significant investment in universal services so there is support for families in the community.

RESOLVED:

- 5.16 That the Committee noted the performance update at Quarter One.
- 5.17 That the Committee indicated any areas where they require more information or clarification.

ACTIONS:

- 5.18 That the Committee will receive information on the cost and benefits of using Savills in the Behind Every Door project.
- 5.19 That the Committee will receive data on serious youth violence across the City.

6 Q1 FINANCE MONITOR

- 6.1 The Committee received an overview of the Quarter One Finance Monitor from Rikin Tailor (Director of Finance) and noted the General Fund's £3.3m forecast overspend is made up of a combination of variances, including demand-led pressures from Temporary Accommodation and Children's Services. The Committee also understood the Housing Revenue Account and Capital Programme positions.
- 6.2 The Committee noted that there are risks within the Communities team amounting to over £800k which relate to health and safety and compliance work and requested that more detail be given on this. The Committee was informed that it relates to an incident in St John's Wood area and as a result there are a

series of checks being undertaken with the Corporate Property team and external consultants, and the team fully expect the risk to reduce substantially as the work continues.

- 6.3 The Committee noted that collection rates for business rates have returned to pre-pandemic levels, and queried if there is an expectation that the pre-pandemic levels will be surpassed considering the Council's priorities around boosting the local economy. The Committee was reassured of the Council's confidence that performance will reach the target levels and there are many schemes to improve the local economy, including supporting Small and Medium Enterprises.
- 6.4 The Committee raised concerns about the substantial delays to projects within the Capital Programme. The Committee queried whether there are systemic reasons behind this, and what the key themes are which drive delays across the projects. The Committee, having been informed that the issues have not worsened, asked whether the targets that projects have been set are realistic. The Committee considered that, as the Capital Programme represents a significant risk area, individual cases should be examined in more detail.
- 6.5 The Committee queried whether the Children's Service management structure review would result in the delivery of savings in the next year. The Committee noted that Children's Services faces a challenging savings target where there is work to do to ensure the funding is in the right place, including looking at all options, transformations in services and exploring the merit of a bi-borough family services model. The Committee understood that this area is still being explored and there may be a reconsideration of what is expected to be achieved.
- 6.6 The Committee was pleased to note the over-recovery of emissions-based charging but queried the sustainability of this, and what the projections are for the future once the scheme has bedded in. The Committee noted that this will be reviewed through the year and possibly relies on a core of car users who are currently willing to pay the charges. The Committee was also pleased to note the Parking Charge Notice income from the increased presence of marshals on the City streets and that this scheme will continue to run.
- 6.7 The Committee held a discussion on waste and cleansing services, including the spend on additional graffiti removal services and asked for more details on waste cleansing costs in the Quarter Two Finance Monitor due at the Committee meeting on 25 November 2024. The Committee also queried the waste fleet delays and the Seymore Leisure Centre construction delay.

RESOLVED:

- 6.8 That the Committee noted the current monitoring and forecast position at Quarter One for 2024/25.

ACTIONS:

- 6.9 That the Committee will examine a selection of individual cases in the Capital Programme in more detail.
- 6.10 That the Quarter Two Finance Monitor will include more detail on waste cleansing costs.

7 CONTRACT AND SUPPLIER PERFORMANCE REPORT

- 7.1 The Committee received a summary of the Contract and Supplier Performance Report from Ed Humphreys (Director of Commercial Partnerships). The Committee noted that the report focuses on the Council's top 55 contractors, the Contract Management Framework and new initiatives to corporately measure contract performance.
- 7.2 The Committee queried the number of contract managers who had completed the new 'introduction to contract management' training at the time of writing the report (120) compared to the number of contract managers in the Council (300 at the time of writing) and was informed that training is tracked via a register, and there is a collaborative effort across the Council to encourage contract managers to complete the training. The Committee was pleased to note the Council's 'Leader' status in modern slavery prevention and that whilst 93 percent of tenders valued at £100k and over are high-risk, 100 percent of those have undergone modern slavery checks.
- 7.3 The Committee acknowledged the positive steps set out in the Contract Management Framework and queried how the impact of this new Framework will be measured. The Committee noted that the Council has a clear, phased, approach with an emphasis on driving change, performance monitoring, increasing transparency, holding contractors to account for quality of services, value for money and reference to national good practice. The Committee understood that a majority of the Council's service delivery is via third-party contractors so building and maintaining good relationships is also at the forefront of the new Framework.
- 7.4 The Committee held a detailed discussion on the Council's Supplier Charter and Ethical Procurement Policy, the numbers of suppliers signed up to the Charter and their contract values, ease of Small and Medium Enterprises signing up, and target numbers of pledges made to the Charter and Policy.
- 7.5 The Committee also held discussions on Housing – Domestic Heating and Repairs, and Facilities Management contracts. The Committee noted that the Housing Service have strengthened contract management and has seen significant improvement from performance metrics, as well as preparing for future contracts. The Committee also understood that there are ongoing conversations with Facilities Management contracts regarding performance.
- 7.6 The Committee queried whether the Council has standard Terms and Conditions which set out provisions for work taking place before signed contracts are in place. The Committee recognised that letters of intent are often utilised, despite not being binding, and that more investigation needs to be carried out, including understanding the range of reasons behind suppliers

starting work without a contract in place. The Committee requested that the results be fed back to the Committee.

RESOLVED:

- 7.7 That the Committee noted the contents of the report and provided feedback on whether it meets its needs, as well as suggested any changes or additional content it would like to see in future reports.

ACTION:

- 7.8 That the Committee will receive information regarding standard Council Terms and Conditions, and the range of reasons behind work taking place by suppliers before signed contracts are in place.

8 GENERAL PROCUREMENT UPDATE

- 8.1 The Committee received a summary of the General Procurement Update from Ed Humphreys (Director of Commercial Partnerships). The Committee noted that the Update includes procurement activity and compliance levels, as well as detail on the new Procurement Act 2023 coming into force on 28 October 2024.

- 8.2 The Committee stated that the report clearly sets out monitoring and the forward plan but requested that the monetary values for the items on the forward plan be shared.

- 8.3 The Committee queried the number of contracts valued over £100k awarded to Small and Medium Enterprises, the comparisons to the previous year, and this current year's targets. The Committee noted that direct spend and indirect spend with Small and Medium Enterprises and Voluntary and Community Organisations is monitored month to month, and since April 2024 there has been a positive trajectory which will continue to increase.

RESOLVED:

- 8.4 That the Committee noted the contents of the report and provided feedback on whether it meets its needs, as well as suggested any changes or additional content it would like to see in future reports.

ACTION:

- 8.5 That the Committee will receive the monetary values for the items on the forward plan.

The meeting ended at 20:19.

CHAIR: _____

DATE _____