

London Borough of Islington

Audit and Risk Committee - 18 November 2024

Minutes of the meeting of the Audit and Risk Committee held at Council Chamber, Town Hall, Upper Street, N1 2UD on 18 November 2024 at 7.00 pm.

Present: **Councillors:** Councillor Paul Convery (Chair), Councillor Sara Hyde (Vice-Chair), Councillor Janet Burgess MBE, Councillor Caroline Russell and Councillor Nick Wayne)

Also Present: **Independent member:** Alan Finch (Co-Optee)

Councillor Paul Convery in the Chair

152 APOLOGIES FOR ABSENCE (Item A1)

Apologies for absence were received from Alan Begg.

153 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

There were no substitute members at the meeting.

154 DECLARATIONS OF INTEREST (Item A3)

There were no declarations of interest made at the meeting.

155 MINUTES OF PREVIOUS MEETING (Item A4)

The minutes of the previous meeting held on 16 September were agreed as an accurate record and the Chair was authorised to sign them.

156 VERBAL FINANCIAL UPDATE (Item B1)

The committee received a financial update from the Corporate Director of Resources. The committee were informed that the quarter 2 budget monitor would soon be available and included an emerging pressure in temporary accommodation. The situation would be closely monitored, and mitigations would continue to meet the financial pressures caused by increasing costs. Following a question on the overspend, it was explained that although there was movement in other areas it was mainly temporary accommodation that had worsened the financial position.

157 VALUE FOR MONEY RISK ASSESSMENT - COUNCIL (Item B2)

The Deputy Director of Finance explained the completion of the audit had been delayed due to a request from the external auditors for an amendment to the accounting treatment of new homes for sale. Following a question from the committee it was confirmed that it was a technical adjustment that would not impact the council's borrowing or rates.

The External Auditors explained the Value for Money Risk Assessment sought to identify any significant weaknesses in the council's arrangements for securing value for money. The assessment was considered under the following three main categories: financial

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sustainability, governance and improving economy, efficiency and effectiveness. Regarding sustainability, the external auditors were satisfied there were adequate arrangements in place to deal with the risks. They were also broadly satisfied with the remaining categories however, they were looking in more detail at a special investigation report by the housing ombudsmen. It was highlighted the council was discharged by the ombudsmen in April, but the external auditor's investigation had to consider arrangements across the year in order to make conclusions on the assessment.

The committee raised and discussed the following main points;

- Whether anything other than the Ombudsman report was a cause for concern, including in housing management. Nothing additional had been identified but they were delving deeper into the council's arrangements.
- Whether the external auditors were looking at financial liabilities or systems and governance. The external auditors would look at financial sustainability and governance. If a weakness was identified they could consider how it had been identified in the Medium-Term Financial Plan, what corrective or mitigating actions there had been and what oversight arrangements were in place.
- It was anticipated the field work would be finalised by the end of the month and the Audit Committee meeting on the 28 January would receive the Council and Pension Fund Year End Audit Reports.

RESOLVED:

To note KPMG's 2023-24 Value for Money Assessment Report for Islington Council

158

RISK DEEP DIVE - HEALTH AND SOCIAL CARE INTEGRATION (Item B3)

The committee heard from the Director of Strategic Commissioning and Investment on health and social care integration. It was explained health and social care integration was identified as a corporate risk when Clinical Commissioning Group's were replaced by Integrated Care Board's (ICB). The borough had a good history of integration, with pre-existing pooled budgets and joint arrangements. To manage the identified risk a number of governance arrangements were put in place to help the council work closely with the ICB. The system had matured, and now included aligned commissioning and the integrated front door. There was also alignment of the NHS ten-year plan and the council's tackling inequalities and 2030 plans.

The committee raised and discussed the following main points;

- The potential for the NHS 10 – Year Plan to lead to further structural changes
- That government funding and resources were prioritizing the NHS and the importance of the council receiving some of that benefit. It was explained that it was a challenge due to a focus on NHS acute provision and hospital discharge but it was recognized that the adult social care offer was wide ranging and an important tool to deliver on prevention.
- A committee member felt it was a concern that the council was expected to do more work around prevention but without the flow of resources and suggested this be revisited. It was explained that prevention encompassed a lot of the council's work and the case needed to be made to the government.
- How the NHS and council were managing increasing financial pressures and risks in their shared budget, for example how the partnership would manage an overspend. It was explained that the ICB and council would share any overspend and any savings. There had not been any issues to date.
- A committee member highlighted that the ICB had recently tried to remove some joint funding, but the plans had been stopped. They asked if there was a risk of this reoccurring due to financial difficulties. It was explained that a range of savings

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would need to be delivered across the partnership, and it was important to keep an open dialogue.

- A committee member asked whether, because the ICB covered 5 boroughs, the better managed councils would end up contributing more. It was explained that officers were aware of the risk and worked hard to demonstrate there were nuances.
- The accountability of ICB decisions.
- A committee member asked for clarity around assistive technology and whether there was a risk caused by less human contact. It was explained that assistive technology allowed for a less intrusive approach, for example someone with epilepsy could have a detector on at night rather than someone in the room. Assessments were thorough and identified a person's individual needs and this could include social contact and support for someone otherwise socially isolated. This could also have a smaller carbon footprint.
- Whether the exclusion of the council's 'fairer together' mission from the report had implications for the success of the mission. It was explained the omission was an oversight and it was crucial to the service that they provide the right support at the right time in the right place.
- The difficulty of managing demand. It was explained a strength-based practice model focused on individuals strengths and working with people early to avoid escalating needs.
- How the Council ensured procured services were providing value for money and not over charging. It was explained that the council was good at managing the market but recognized some packages of support were expensive when people presented with complex and challenging needs. This represented a small proportion of the support provided. The council undertook robust commissioning activity around pricing to ensure providers were paid fairly and would benchmark all providers across the market to ensure the council was not being overcharged.
- The Chair highlighted there was a predicted overspend of approx. £1,000,000 in adult social care and this was mainly due to the unavailability of beds in care homes and the ensuing requirement to purchase provision elsewhere. It was explained that occupancy rates could not fall too high or too low and it was important to understand where overspends arise and how to minimize the council's vulnerability. The Director of Strategic Commissioning and Investment explained the overspend on care homes had reduced significantly and the council was currently at around 90% occupancy. It was also explained that performance data was showing less people were being admitted to care homes due to the strength-based model which helped people to remain in their homes for longer.
- The accommodation strategy had been approved by Executive and would be published shortly. The needs analysis showed a strong understanding of the borough, good predictive analysis and an understanding of the level of needs. There was work underway across the council to address those needs.
- It was highlighted that the fairer together mission had been renamed empowering people.

RESOLVED:

To note the risk management strategy for the principal risk.

159

CONSTITUTION REVIEW - FINANCIAL REGULATIONS AND PROCUREMENT RULES (Item B4)

The Director of Law and Governance provided the committee with an update on the constitution review. It was highlighted that the Procurement Act would come into effect on 24 February 2025. Members and officers involved in the Constitutional Working Group were thanked for their help in ensuring the council was compliant.

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The Deputy Director of Finance informed the committee of updates to the Financial Regulations, including a number of updates for clarity, transparency and to ensure the Procurement Regulations complimented the Financial Regulations.

The committee raised and discussed the following main points;

- Whether there was an opportunity to make clear the responsibilities of Corporate Directors, such as risk management and receiving and acting on reports in relation to Audit.
- 3.18 on virements could be reworded for clarity
- Thresholds should be less than £200,000 not up to 199,999
- The wording on delegated decisions should be amended to say 'with the agreement of the Executive Member'.

RESOLVED:

- (a) To approve the changes to the council's Financial Regulations attached at Appendix A.
- (b) To authorise the Corporate Director of Resources to approve minor amendments to the Financial Regulations prior to their submission to Full Council for approval.

160 FORWARD PLAN (Item B5)

A committee member requested further information on risks caused by unregistered vehicles, in particular whether they were involved in more collisions and the impact on parking and parking revenue.

161 ACTION SHEET (Item B6)

The committee thanked Alan Finch for the diligence and detail he brought to the committee's deliberations as it was his last meeting.

The meeting ended at 8.20 pm

CHAIR