

London Borough of Islington

**Audit and Risk Committee - 11 July 2023**

Minutes of the meeting of the Audit and Risk Committee held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 11 July 2023 at 7.00 pm.

**Present:**       **Councillors:**       Councillor Nick Wayne (Chair), Councillor Flora Williamson (Vice-Chair), Councillor Sara Hyde, Alan Begg (Co-Optee) and Alan Finch (Co-Optee)

**Also Present:**       **Independent member:**

**Councillor Nick Wayne in the Chair**

**65       APOLOGIES FOR ABSENCE (Item A1)**

Apologies were received from Councillor Burgess.

**66       DECLARATION OF SUBSTITUTE MEMBERS (Item A2)**

Councillor Jackson attended the meeting as a substitute for Councillor Burgess.

**67       DECLARATIONS OF INTEREST (Item A3)**

Alan Begg declared an interest on Item B5 as he is a member of the Pension Board,

**68       MINUTES OF PREVIOUS MEETING (Item A4)**

**69       RISK DEEP-DIVE- SAFEGUARDING (Item C1)**

The Corporate Director of Children's and the Assistant Director Safeguarding and Quality Assurance introduced the risk deep-dive presentation on safeguarding.

- It was explained to the committee that the Children's department is not a single service, this relies on many services and partners which increases the need for assurance and quality assurance which is vital. Cross directorate partnerships e.g. with Housing. Islington has invested in the early years and universal services is very good.
- The committee noted the main regulatory exercises include OFSTED inspections as well as an annual conversation with Ofsted which also informs their own QA and risk register.
- Supervision with practitioners takes place and is quality assured by the dedicated officers.
- Ongoing management of the significant risk in section 17 of the report, mainly around young people and families.
- Approx 12 months away from inspection currently, considerations in place include the impact of the cost-of-living crisis on new and complex cases being brought into the system. Impact of cost of living on the supply side too such as social workers and foster carers. In preparation for OFSTED we are reviews of all current procedures are underway with a focus on resources and reviewing guidelines.

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- Currently a monopoly in the placements market, these costs are being evaluated, along with employee and workplace costs so these costs can be managed and mitigated.
- Islington is competing with other London Borough's due to the competing challenges in recruiting social workers, initiatives include the social work academy which has been launched, this included a wrap around service within the first year of practice. Working on initiatives for foster carers such as housing adaption scheme which could involve the renovating of their homes, balancing this with resources available to mitigate impacts of the cost of living crisis on foster carers.
- 620 young people that have left care which is a significant number
- Costs are not always sitting with the expensive placements, sometimes the costs can accumulate from temporary accommodation, complex placements are competitive which increases the price as providers prefer to take less complex placements, driving the costs of complex placements up further.
- Placement costs remain in the amber/red risk however a reduction in the number of looked after children.
- Challenges with the SEN transportation overspends, taxi costs make up 70% of the overspend in 2023/24. SEN placement numbers mean travel is sometimes required across the country, with an increase in complex placements overall. This includes 7 different tiers of transportation.
- Moving towards encouraging independent travel for young people.
- Care proceedings should conclude within 26 weeks, however as a result of the backlog from Covid as well as changes in legislation made it harder to place children with families under kinship orders which also contributed to the rise in CLA numbers. To assist with this and to ensure care proceedings are only issued when all other preventable options have been explored the AD and Director for Safeguarding hold scrutiny and governance over the Access to Resource and Care Panels to further ensure pre-proceedings is offered to give families a chance to make the required changes to avoid issuing care proceedings.
- There has been a historical overspend in Children's, whilst there are no shortcuts with safeguarding we will be working to address the challenges reoccurring year-on-year.
- In terms of maintaining the current level of risk with the tighter financial envelope it was noted that in year we are looking at £6 million after the hard work this was at 2%, therefore the overspend has been taken down slightly and risks are being managed at present.
- Confident with the right management actions in place across some areas however other aspects such as taxi costs cause tensions which need to be managed with the current financial envelope.

### **RESOLVED:**

- To reassess the scoring system of risk to ensure this accurately reflects the risk within the various areas.
- The report was noted.

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### **PRINCIPAL RISK REPORT (Item C2)**

- The following points were noted during the discussion:
- The Principal Risk Report 2023 presented the principal risks facing the Council. The report had been produced in consultation with risk leads and DMTs over April/May 2023. The final report was agreed at Corporate Board in May 2023.
- Impact of inflation remains a key risk theme and a challenging area.

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- A new risk on Increasing Homelessness Pressures had been added in the 2023 Principal Risk Report.
- Levels of external pressures affecting the Council's risk profile were highlighted throughout the report.
- Risk 1 – New Build Programme: There were affordability challenges in delivering new council homes, this was assessed as high risk and high impact. Risk leads continue to monitor and manage this risk closely.
- It was noted that external factors pushed the affordability of these schemes in the wrong direction with inflation rising but, in terms of managing risk exposure, the feasibility of these schemes were assessed.
- Risk 23 – School Viability and Place Planning: This risk had increased over the last year and presented with an increasing forward trend. There was a discussion around the impact of this risk on schools and local communities.
- It was noted that the initial thoughts were that principal risks would be closer to their target risk scores this year, however the challenging environment meant there were several external factors affecting the Council's risk profile.

### Actions:

- It was agreed the next risk deep dive would focus on the New Build Programme.
- Include a reference to the risk appetite statement in the next Principal Risk Report, and also consider a visual representation on progress on managing risks within appetite.
- Include an update on progress with developing a risk management training offer in the Risk Update Report for the January Committee meeting.
- Share the Principal Risk Report with all Members for information.

### **RESOLVED:**

The report was noted.

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### **ANTI-FRAUD AND CORRUPTION POLICY (Item C3)**

- The council is due an updated Anti-Fraud and Corruption Strategy and Policy and benchmarking has taken place with other London authorities. A communications plan will accompany this for the whole organisation. The overall aim of the comms plan includes collaboration throughout the organisation to implement the idea that anti-fraud is everyone's responsibility.
- Fraud response plan sets out guidance to staff and managers. The current organisational environment and recent media interest in the area indicates we need to have a clear anti-fraud policy.
- It was suggested that benchmarking with private practices may be useful.
- Wider fraud awareness training should be available and suggestions to implement fraud risk as a regular standing item at team meetings.

### **RESOLVED:**

The report was noted.

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### **EMPLOYMENT TRIBUNAL OUTCOMES (Item C4)**

The Interim Director of Law and Governance introduced the report.

The following points were noted in the discussion:

- The committee requested this report in September to include significant tribunal reports to the council more than £50,000.

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- The headlines for this report showed it was a good report overall with no adverse findings.
- The number of tribunal cases is falling in the reporting period.
- The chair noted the inevitability of employment tribunal claims, many of these will be impossible to settle without liability however the committee was reassured by the figures in the report.

### 73 **APPOINTMENT OF MEMBERS TO THE PENSIONS BOARD (Item C5)**

#### **RESOLVED:**

The report was noted.

### 74 **ANNUAL GOVERNANCE STATEMENT (Item C6)**

The following points were noted in the discussion:

- Changes to the AGS made since the previous meeting included:
  - Added more context to the items
  - Section 4 – add the key issues faced and the actions to rectify these issues.

There were a few small changes suggested at the meeting which included:

- Change sub-committees of licencing to 4 instead of 2 which it currently states.
- The report should capture the role that the Audit and Standards committee has in the governance framework.

#### **RESOLVED:**

The report was noted.

### 75 **EXEMPT APPENDIX - EMPLOYMENT TRIBUNAL OUTCOMES (Item F1)**

#### **RESOLVED:**

- The report was noted.

The meeting ended at 9.20pm