

Audit, Governance and Standards Committee

Monday 20 July 2020

6.30 pm

This meeting will be held remotely.

Membership

Councillor James McAsh (Chair)
Councillor Humaira Ali
Councillor Dora Dixon-Fyle MBE
Councillor Nick Dolezal
Councillor Tom Flynn
Councillor Andy Simmons
Councillor Dan Whitehead

Reserves

Councillor Sarah King
Councillor Lorraine Lauder MBE
Councillor Hamish McCallum
Councillor Jason Ochere
Councillor Bill Williams

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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Contact

Virginia Wynn-Jones - email: virginia.wynn-jones@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Eleanor Kelly

Chief Executive

Date: 10 July 2020



Audit, Governance and Standards Committee

Monday 20 July 2020
6.30 pm
This meeting will be held remotely.

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
	The chair would like to remind members that prior to the meeting they have the opportunity to inform officers of particular areas of interest relating to reports on the agenda, in order for officers to undertake preparatory work to address matters that may arise during debate.	
1.	APOLOGIES FOR ABSENCE	
	To receive any apologies for absence.	
2.	CONFIRMATION OF VOTING MEMBERS	
	A representative of each political group will confirm the voting members of the committee.	
3.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear days of the meeting.	
4.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
5.	MINUTES	1 - 4
	To approve as a correct record the minutes of the open section of the meeting held on 10 June 2020	

Item No.	Title	Page No.
6.	GOVERNANCE CONVERSATION: ELEANOR KELLY	
	Eleanor Kelly, the chief executive of Southwark Council, to discuss the council's governance arrangements	
7.	COVID-19 PANDEMIC: FINANCIAL IMPACT 2020-21	5 - 14
8.	IN YEAR REVIEW OF WORK PROGRAMME - JULY 2020	15 - 17

ANY OTHER OPEN BUSINESS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT

EXCLUSION OF PRESS AND PUBLIC

The following motion should be moved, seconded and approved if the sub-committee wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure rules of the Constitution.”

PART B - CLOSED BUSINESS

Date: 10 July 2020



Audit, Governance and Standards Committee

MINUTES of the OPEN section of the Audit, Governance and Standards Committee held on Wednesday 10 June 2020 at 6.30 pm.

PRESENT: Councillor James McAsh (Chair)
 Councillor Humaira Ali
 Councillor Dora Dixon-Fyle MBE
 Councillor Nick Dolezal
 Councillor Tom Flynn
 Councillor Andy Simmons
 Councillor Dan Whitehead

OFFICER SUPPORT: Duncan Whitfield, Strategic Director of Finance and Governance
 Jo Anson, Head of Financial and Information Governance
 Rob Woollatt, Departmental Finance Manager
 Geraldine Chadwick, Interim Senior Finance Manager
 Virginia Wynn-Jones, Constitutional Team
 Angela Mason-Bell, BDO
 Greg Rubins, BDO
 Ciaran McLaughlin, Grant Thornton
 Matt Dean, Grant Thornton

1. APOLOGIES FOR ABSENCE

There were none.

2. CONFIRMATION OF VOTING MEMBERS

The members present were confirmed as the voting members.

3. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were none.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. MINUTES

The minutes of 10 February 2020 were agreed as a correct record of the meeting.

6. CORPORATE RISKS AND HIGH LEVEL MITIGATIONS

Officers introduced the report. Members had questions of the officers.

RESOLVED:

1. That the audit, governance and standards committee noted the follow up report on the corporate risks and high level mitigations following comments and feedback from members.
2. That the audit, governance and standards committee reviewed the mitigations and has no further comments.

7. BDO INTERNAL AUDIT ANNUAL REPORT AND ANNUAL STATEMENT OF ASSURANCE 2019-20

Officers introduced the report. Members had questions of the officers.

Officers undertook to bring updates to the next meeting on issues raised by members on reports which at that time had not been finalised.

RESOLVED:

1. That the audit, governance and standards committee noted BDO's internal audit annual report and annual statement of assurance report, as attached at Appendix A of the report.

8. BDO INTERNAL AUDIT AND ANTI-FRAUD PROGRESS REPORT

Officers introduced the report.

RESOLVED:

1. That the audit, governance and standards committee noted BDO's internal audit and anti-fraud progress report, as attached at Appendix A of the report.

9. EXTERNAL AUDIT PLANS ADDENDUM (INCLUDING PENSION FUND)

Officers introduced the report. Members had questions of the officers.

RESOLVED:

1. That the audit, governance and standards committee noted the external audit plan addendum for Southwark Council, attached as Appendix A of the report.
2. That the audit, governance and standards committee noted the external audit plan addendum for Southwark Council's Pension Fund, attached as Appendix B of the report.

10. 2019-20 GRANT THORNTON REPORT ON INFORMING THE AUDIT RISK ASSESSMENT AND DRAFT STATEMENT OF ACCOUNTS

Officers introduced the report. Members had questions of officers.

RESOLVED:

1. That the audit, governance and standards committee noted the management responses to Grant Thornton's inquiries in respect to the audit risk assessment for Southwark Council and the Pension Fund (appendix 1 of the report) and considered whether these responses are consistent with its understanding; there were no further comments it wished to make.
2. That the audit, governance and standards committee considered the draft statement of accounts for 2019-20 (appendix 2 of the report).

11. DRAFT ANNUAL GOVERNANCE STATEMENT 2019-20

Officers introduced the report. Members had questions of the officers.

Officers undertook to bring back a report next meeting on lost income/increased costs relating to covid-19, and what the council expects to be able to recoup from government. This will be accompanied by a list of initiatives in place trying to cover some of those costs and lost income.

RESOLVED:

1. That the audit, governance and standards committee noted the draft Annual Governance Statement (AGS) 2019-20 as attached at Appendix 1 of the report.

12. REVIEW OF CODE OF CORPORATE GOVERNANCE

Officers introduced the report. Members had questions of the officers.

RESOLVED:

1. That the audit, governance and standards committee noted the updated code of corporate governance as shown at appendix 1 of the report.
2. That the audit, governance and standards committee reviewed the council's compliance with the best practice governance framework as shown at appendix 2 of the report and considered there were no further examples of good practice it wished to add.

The chair thanked all officers involved in ensuring that reports were available in good time and of good quality; and thanked everyone involved in the meeting for its smooth running.

The chair noted that the committee's annual committee self-assessment form deadline was extended owing to the delay in annual council assembly, and that members were encouraged to complete this and return their responses to the clerk.

Meeting ended at 8.30 pm

CHAIR:

DATED:

Item No. 7.	Classification: Open	Date: 20 July 2020	Meeting Name: Audit, Governance and Standards Committee
Report title:		Covid-19 Pandemic: financial impact 2020-21	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATION

1. That the audit, governance and standards committee note:
 - The government grants to date to support the council's financial losses;
 - The impact of the Covid-19 pandemic on spending and income and the current funding shortfall;
 - The uncertainty around the additional government funding;
 - The plans in place to mitigate the financial risk to the council.

BACKGROUND INFORMATION

2. Following the review of the draft annual governance statement report on 10 June 2020, the committee requested a report on the increased costs and losses in income that the council faced due to the Covid-19 pandemic and the strategies in place to mitigate the financial risks.
3. The Covid-19 pandemic has had a significant impact both on the delivery of council services and on council finances. At the beginning of March 2020, the council's priorities had to change rapidly to focus on the need to distribute emergency funding to vulnerable residents, support local businesses and communities and maintain essential services.
4. Since then, the environment has fundamentally changed and the extent of the impact of the pandemic is still largely unknown. This is not least because the virus is still in circulation, creating a need for a 'new normal' way of life and the potential for further lockdowns. There will be significant challenges ahead in terms of recovery and renewal, as great as those faced during the peak of the pandemic.
5. This report sets out the financial impact of Covid-19 on the council to date, reviews the additional costs and reduced income streams and the funding from central government to support these additional pressures. The report estimates the likely extent of the financial impact on the council in 2020-21 and considers the possible mitigations to reduce the financial risk to the council, in the short and medium term.

GOVERNMENT GRANTS

6. The Local Government Secretary, Rt. Hon Robert Jenrick, stated on 16 March 2020 that the government was ready to do whatever was necessary to support councils in their response to Covid-19. £1.6bn of funding was distributed to local government. This pledge of financially supporting local government was reiterated on 28 April 2020, with

a further allocation of £1.6bn, giving a headline total of £3.2bn to support the costs of the pandemic. The first allocation was to support the pressures across all services but particularly for the increasing costs of adult social care, as well as to support the most vulnerable, including the homeless. The second allocation aimed to support these same services but also to support other emerging cost increases in vital services. Southwark's share of this funding is £19.9m, the fourth highest grant in London, reflecting both the population size and the needs of the authority. Based on returns to central government, the LGA estimated that another £7.4bn was needed to fund councils' full costs and losses to avoid in year cuts to budgets and reductions in service levels.

7. In addition to this general funding to support the council's increasing costs, the government made available other targeted funding which is detailed in Appendix A. For example, the government have provided £500m nationally for a hardship fund to support council tax payers, the council's share of which is £3.5m. Appendix A also details measures taken to ease any cash flow measures on local authorities (no additional funding) and the council's own funded support for residents, businesses and the voluntary sector.
8. The government announced on 2 July 2020, further funding to support councils' spending increases and income losses: a third allocation of £500m to cover increased costs and a grant of 75% to cover losses in sales, fees and charges. It is likely that a proportion of business rate and council tax losses will be funded by the government, with an announcement expected at the spending review; currently these losses are permitted to be in deficit over 3 years rather than over 1 year. At the time of writing, no authority level allocations have been notified. However, it is estimated that the new grant to cover additional costs will be approximately £3.5m and potential support for sales fees and charges income losses estimated at £5.8m, an estimated total of £9.3m. As this latest announcement falls substantially short of what is needed to cover all the expected increases in expenditure and income losses, it is expected that further funding will be made available in 2020-21. But there remains a level of uncertainty as to how and at what level, these will be funded.

ESTIMATED INCREASES IN SPENDING AND LOSSES IN INCOME DUE TO THE COVID-19 PANDEMIC

9. In order to assess how the initial emergency grants (£3.2bn) were to be spent, from April 2020, the Ministry for Housing, Communities and Local Government (MHCLG) surveyed all local authorities to estimate the financial impact of the Covid-19 pandemic. The survey was repeated in May and June, each time with additional questions or requiring further details. These returns show that in the four month period, March to June 2020, councils have incurred £4.8bn of extra cost pressures.
10. In addition, the MHCLG survey required councils to estimate the full year impact based on actual, predicted and emerging costs, based on just ten weeks' data. So the additional costs (and losses in income) are subject to significant uncertainty. It is very unclear when or if or how full recovery will take place and what that recovery will look like for council services and the communities they serve.
11. Table 1 details these estimated additional costs for Southwark. Significant additional expenditure has been incurred in adult social care, homelessness, and in the 'other' category which includes additional costs of PPE and support for those shielding together with the council's support for the voluntary, community and business sectors.

Higher costs in these categories were broadly replicated across London, although the council reported higher than average housing spending, due to having the largest housing stock. In total, the council expects to spend an additional £40.5m; other boroughs ranged from £11m to £58m.

Table 1: Estimated Additional Costs (June 15 2020) of Covid-19 in 2020-21

Service area	Increased spending £m	Description of significant cost pressures
Adult social care (ASC)	9.2	Includes costs of PPE, additional demand for services and supporting the market
Children's services	1.8	Supporting additional demand, costs associated with residential care and care leavers
Education services	1.5	Social distancing for SEN transport and possible increases in home to school transport following the removal of the bus pass for eligible pupils
Highways and Transport	1.6	Loss of productivity due to social distancing and safety measures
Housing	8.1	Additional costs from housing rough sleepers and the homeless in self contained accommodation. Expected that highest in London as have largest housing stock
Environment, Planning and Public Health	2.3	Increased mortuary services and waste management
Culture	3.5	Contractual and running costs in leisure centres
Corporate	0.7	IT and remote working additional costs
Other	11.8	Includes delayed savings £2.7m, Non ASC PPE £1.5m; Shielding costs £2.7m; Southwark schemes to support those in need £3.5m; other £1.4m
Total increase in spending	40.5	

12. The council is expecting substantial income losses resulting from the pandemic. These include business rates, council tax, housing rents, commercial income, parking, leisure services, planning fees. Table 2 details the potential loss of £44.3m in income. Across London, this compares with an estimated income loss range, from £12m to £105m.

Table 2 Covid-19 Estimated income losses (as at June 15 2020) in 2020-21

Income source	Losses income £m	Description of significant losses
Business rates	15.6	Net loss of business rate income after deducting business rate relief grants
Council Tax	8.6	Net loss of council tax income through non-payment and increase in the number of claimants in the local council tax scheme
Commercial Income	7.0	Commercial rent income losses
Other income	5.0	Housing rent losses
Highways and Transport	3.2	Loss of parking fee income
Cultural	1.9	Leisure income, filming income, libraries, hire of facilities
Planning & Development	0.6	Reduced income on planning fees

Income source	Losses in income £m	Description of significant losses
Other sales, fees and charges, income losses	2.4	Licences, project fee income, registrar income
Total income losses	44.3	

Housing revenue account (HRA)

13. Housing was identified by councils as one of the main areas where emergency funding was being directed. Councils highlighted an additional housing cost pressure to MHCLG where data needed to be collected. Although the HRA does not directly impact on the general fund, there are substantial income losses and no 'plan' on how to recover these. The estimated income loss and increased expenditure for Southwark are estimated at £15m which is mainly loss in income from residential rent arrears and is similar across London.

Potential funding shortfall between government grant and estimated expenditure increases and income losses

14. The difference between both the council's current estimate of income losses and additional expenditure and government grant to date is estimated in total at £31.5m (Table 3). The current estimate of grant funding includes known funding to date, an estimated share of the grant funding announced on 2 July 2020, together with estimated additional funding for 2020/21.

Table 3: Covid-19 Current Estimated Funding Shortfall

Current estimate of expenditure increases and income losses	Initial estimate	Notes
	£m	
Expenditure increases	40.5	
Business rates and council tax losses	24.2	
Sales, Fees and Charges losses	8.1	
Other Income losses- Commercial, housing rents	12.0	
Total current estimate of expenditure and income losses	84.8	
Current estimate of grant funding		
Grant funding to date	-19.9	Southwark's share of £3.2bn
Additional estimated share of £500m	-3.5	Estimated share of £500m (announced 2 July)
Expected further funding for increased expenditure	-7.0	Initial view of further funding to support expenditure increases (share of £1 bn)
Business rates and council tax losses	-12.1	Expected that the spending review will share expected shortfalls in tax revenues. Initial estimate at 50%
Sales, Fees and Charges	-5.8	Grant of 75% to cover losses in sales, fees and charges (announced 2 July)

Other Income losses	-5.0	Potential grant to cover a proportion of other income losses
Estimated additional grant funding for 2020-21	-53.3	
Estimated Potential Funding Shortfall	31.5	

15. There is clearly a need for additional funding across all local authorities to fund the expected shortfall between expected government funding and expected increased spending and income losses. The additional grants announced on 2 July 2020, and expected further grants will not compensate councils for the additional costs of the pandemic. Given the promises made in March and April, this should be to fully fund and the council will continue to lobby central government to fulfil this promise.

Mitigating risks

16. The financial challenges arising from the pandemic, are both 'in year', delivering a balanced budget for 2020-21, and medium term, with the need to re-think the medium term financial strategy. Although, the most substantial risk associated with 2020-21 still lies in the government's lack of clarity around fully funding local authorities and pledging full reimbursement for activity undertaken to support local people as a result of the crisis. Funding to date has been piecemeal and if the level of support continues to be less than fully funded then decisions will have to be undertaken as to how to deliver a balanced budget.
17. The policy and resources strategy report to cabinet on 14 July 2020 initiates the process for review of the council's medium term financial plan for the period 2021-22 to 2023-24. The report provides the foundation for the financial planning process following the unprecedented financial uncertainties of the impact of Covid-19, as well as other local government funding uncertainties. The report looks ahead to assess the reliance of the council on locally generated income sources and the implication of recession for future council income. Built into these plans are assessments of the financial stress on major service contracts such as leisure and construction, a fall in commercial property income and a delay to capital programme works. The council will evaluate the future of all income around the different possibilities for the release of lockdown, social distancing and a return to something like "normality".
18. The council's constitution has proved to be resilient throughout the pandemic, allowing for rapidly changing processes and procedures to be implemented without the need for suspension. The council has been able to demonstrate flexibility and adaptability using existing powers throughout the crisis.
19. The council's risk assessment will be updated to include possible declining reserves and future budgets being subject to variations. But all risks are subject to regular review. Financial management and monitoring continues to be undertaken on a risk-based approach, with focus on those budgets which are subject to fluctuating demand and updated monthly for those that are under pressure from the pandemic.
20. The financial remit is scheduled to be updated in September 2020, where there should be more certainty around funding and more certainty around cost pressures and income losses. The annual budget challenges will continue as part of the normal budget cycle. The Strategic Director of Finance and Governance with the support of other strategic directors will look to establish medium term budget plans, reviewing any decisions previously taken.

21. Moving forward, the council's approach to recovery and renewal will continue to reflect and be shaped by local priorities and needs. Departmental plans are focused on the changing environment, analysed in detail with reference to 'Renew, Continue, Amplify and Reduce' in a post Covid-19 environment. The approach will also be guided, where necessary, by national government recovery strategies.
22. Further separate reports on individual aspects of the Covid-19 response, and learning to inform the borough's approach to recovery and renewal, will therefore be brought to future cabinet meetings. This will include consideration of medium to longer term renewal of service plans as part of the refresh of the Council Plan, medium term resources strategy and future budget priorities and plans. An updated Council Plan and financial remit will be presented to cabinet in September 2020.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Financial and Information Governance files	Finance and Governance, Second Floor, Tooley Street	Rob Woollatt 020 7525 0614

APPENDICES

No.	Title
Appendix A	Covid-19 Grants (as at 7 July 2020)

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Rob Woollatt, Interim Departmental Finance Manager	
Version	Final	
Dated	7 July 2020	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team	9 July 2020	

Appendix A Covid -19 Grants (as at 7 July 2020)

Grant / Commitment	Date of Notice	National £m	Southwark £m	Purpose
General support for local authorities for COVID-19 pressures - first announcement	11/03/20	1,600	11.137	Primarily to support social care, homeless and rough sleepers and to meet pressures across other services.
General support for local authorities for COVID-19 pressures - second announcement	18/04/20	1,600	8.785	The second tranche of funding was allocated on a per capita basis.
General support for local authorities for COVID-19 pressures - third announcement	02/07/20	500	3.500	Estimated share of additional funding to support additional costs. No details yet.
General support for local authorities for COVID-19 pressures - third announcement - income loss	02/07/20	No set amount	5.800	Estimated share of additional funding to support losses in sales, fees and charges. No details yet.
Total General support		3,700	29.222	
Hardship Fund	11/03/20	500	3.476	The council has introduced a new council tax hardship policy to provide extra help to low income, working age, council tax payers. In most cases the extra help will reduce bills by £150.
Homelessness Fund - emergency fund to help rough sleepers to self-isolate	17/03/20	3.2	0.033	Emergency funding for rough sleepers
100% business rate reliefs	17/03/20	8,000	31.900	The government increased the retail businesses discounts to 100%, with the relief applying to occupied retail, leisure and hospitality properties in the year 2020-21. Local authorities are compensated through a Section 31 grant.
New burdens funding for administering business grants	17/03/20	TBC	TBC	Funding of the new administrative burdens, including Business Rate Grants and discounts.
Emergency Active Travel Plan	12/05/20	250	25.0 for London	Department for Transport announcement of funding for reallocation of roads for walking and cycling measures. Part of £5bn investment.
Care Home Support Package	15/05/20	600	0.887	The fund is ring-fenced for social care to help care homes cover the costs of implementing measures to reduce transmission. 75% of the funding to be passed straight to care homes with discretion for local authority to distribute the residual based on need.
Transport Services Funding - buses and trams	23/05/20	283	TBC	Funding to protect and increase transport services.

Appendix A Covid -19 Grants (as at 7 July 2020)

Grant / Commitment	Date of Notice	National £m	Southwark £m	Purpose
Track and Trace Action Plan Funding	22/05/20	300	2.521	Additional funding for LAs to support track and trace action plans. Each local authority will be given funding to develop tailored outbreak control plans, working with local NHS and other stakeholders.
Reopening High Street Safely Fund	24/05/20	50	0.286	Funding to support the safe reopening of high streets and other commercial areas to establish a safe trading environment for businesses and customers
Rough Sleeping Initiative	24/05/20	160	TBC	Rough Sleeping Initiative backed by £160 million in 2020-21. Brought forward capital funding already announced in Budget 2020. It was also indicated that the government is increasing the revenue support of the total programme.
Pupil Referral Units	05/06/20	7	TBC	£7m one off package for vulnerable pupils leaving alternative provision to boost support to 11,300 year 11 pupils making the transition from secondary school into post 16 education, work or training.
Unaccompanied asylum seeker care leavers (UASC)	09/06/20		TBC	Increased funding rates for unaccompanied asylum seeking children leaving care to £240 per week replacing previous rates of £150-200pw. Plus a targeted uplift of 25% for authorities who are looking after the highest numbers of UASC, who will receive a tariff of £143 per night instead of standard rate of £114 per night.
Support for Vulnerable families	10/06/20	63	TBC	Govt announces funding for LA for vulnerable families to help those who are struggling to afford food and other essentials due to coronavirus. LAs have existing mechanisms to provide this support such as cash payments, food vouchers, or alternative means of support. Estimated at £0.5m
Schools	18/06/20	583.3	TBC	Govt to fund year long national tutoring programme to catch up on lost learning £650m over 2020-21 academic year. £350m access to tuition for most disadvantaged 'National Tutoring Programme'. Not clear how funding distributed. £583m over financial year.

Appendix A Covid -19 Grants (as at 7 July 2020)

Grant / Commitment	Date of Notice	National £m	Southwark £m	Purpose
Rough sleepers initiative	24/06/20	85	TBC	£85m of new funding and £20m from existing homeless and rough sleeping budgets, to provide interim support for 15,000 vulnerable people accommodated during the pandemic, and secure tenancies and short term housing. Help with deposits for accommodation, and securing alternative rooms such as student accommodation.
Building Programme	30/06/20	5,000	TBC	New Deal announced. Building programme to bring forward £5bn of capital investment projects in Education, Health, Transport, Youth and Prison service, High streets and Parks. Autumn statement expected to announce a National Infrastructure Strategy (energy, road and rail, flood defences and waste).
Measures to ease cash flow pressures on local authorities (no additional funding)				
Section 31 grant for business rates reliefs	11/03/20	1,800	9.256	Early payment of 2020-21 S31 business rates reliefs grant. Paid in one instalment in 2019-20 rather than spread through 2020-21.
Advance of social care funding	16/04/20	850	6.834	Early payment of full year social care grants rather than 4 quarterly payments.
Deferral of business rate to government	16/04/20	2,600	27.842	Payments of the business rates central share deferred.
General support for local authorities – third announcement- tax deficits over 3 years				Councils will be allowed to spread tax deficits over 3 years. Additional support likely to be announced next year.
Additional Southwark funded Covid-19 support for residents, community/voluntary sector and small businesses				
Enhancement of Southwark Emergency Support Scheme	19/03/20	NA	1.500	Release of earmarked reserves of c £1.5m for Southwark Emergency Support Scheme, previously set aside to offset pressure in future years.
Southwark Small Business Support Fund	07/04/20	NA	2.089	Release of unused Pioneer Fund resources (c £1.95m) and High Street Support Grant (c £139k) from earmarked reserves to help support small businesses

Appendix A Covid -19 Grants (as at 7 July 2020)

Grant / Commitment	Date of Notice	National £m	Southwark £m	Purpose
Southwark Community Support Grant	13/04/20	NA	0.511	Release of £391k from earmarked reserve for voluntary sector to new scheme for small support grants for VS working to help tackle COVID. Additional support for tenants also available from existing council scheme (c £120k)

Item No. 8.	Classification: Open	Date: 20 July 2020	Meeting Name: Audit, governance and standards committee
Report title:		In-year review of the work programme - July 2020	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. That the audit, governance and standards committee consider potential governance topics for 2019-20 and onwards and agree a format going forward.

BACKGROUND INFORMATION

2. At their meeting in June 2019, the committee considered and agreed a work programme for 2019-20 and recommended a series of governance conversations with the strategic directors. These have been scheduled for 2019-20 as follows:
 - 16 July 2019 – Kevin Fenton, strategic director of place and wellbeing
 - 11 September 2019 – Michael Scorer, strategic director of housing and modernisation
 - 20 November 2019 – Caroline Bruce, strategic director of environment and leisure
 - 10 February 2020 – David Quirke-Thornton, strategic director of children's and adults' services
 - 10 June 2020 - Duncan Whitfield, strategic director of finance and governance
 - 20 July 2020 – Eleanor Kelly, chief executive.
3. Following the July 2020 meeting, the audit, governance and standards committee will have met with all the current strategic directors over the course of a year. The committee may wish to look at further areas of the council's governance structures for consideration.

KEY ISSUES FOR CONSIDERATION

4. In considering items for inclusion, it may be helpful to do this within the framework of the committee's purpose, as set out in the constitution. This is set out in the constitution to be:
 - Independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment
 - Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment
 - Oversight of the financial reporting process
 - Scrutiny of the treasury management strategy and policies
 - A framework to promote and maintain high standards of conduct by councillors,

co-opted members and church and parent governor representatives.

5. The committee's terms of reference, as approved by council assembly, cover functions relating to audit activity, the regulatory framework, accounts, treasury management and the council's standards framework. They are attached at Appendix 1 as they may further help the committee to determine items to be included in its work programme.
6. There remains a need to ensure flexibility in terms of emerging issues which come to light through items already on the committee's agenda. For example, a review of audit recommendations and progress on their implementation may highlight a need to request the attendance of individuals at a future meeting to help explain actions taken. The draft programme therefore includes a standing item relating to review of the committee's work plan.
7. Training will continue to be provided for members on the role of the committee, and development needs will continue to be monitored to enable appropriate training to be provided as opportunities arise.

Policy implications

8. This report is not considered to have direct policy implications.

Community impact statement

9. The decision is considered not to have a significant impact on any particular community or group.

Resource implications

10. There are no direct resource implications in this report.

Consultation

11. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

12. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	10 July 2020	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	10 July 2020	

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COMMITTEE: AUDIT, GOVERNANCE AND STANDARDS COMMITTEE (OPEN AGENDA)

NOTE: Original held in Constitutional Team; all amendments/queries to Virginia Wynn-Jones, Constitutional Team on 020 7525 7055 or virginia.wynn-jones@southwark.gov.uk

COPIES**COUNCILLORS**

Councillor James McAsh (Chair)	1
Councillor Humaira Ali	By email
Councillor Dora Dixon-Fyle	By email
Councillor Nick Dolezal	1
Councillor Tom Flynn	By email
Councillor Andy Simmons	1
Councillor Dan Whitehead	By email

RESERVES

Councillor Sarah King	By email
Councillor Lorraine Lauder	By email
Councillor Hamish McCallum	By email
Councillor Jason Ochere	By email
Councillor Bill Williams	By email

OTHER COUNCILLORS

Councillor Victoria Mills	By email
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LAW AND DEMOCRACY

Norman Coombe	1
Doreen Forrester-Brown	1

COMMUNICATIONS

Louise Neilan	By email
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CONSTITUTIONAL TEAM

Virginia Wynn-Jones	5
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INDEPENDENT PERSONS

Mr Musa Chunga	By email
Ms Amrit Mangra	By email
Mr Charles Wynn-Evans	By email

FINANCE AND GOVERNANCE

Duncan Whitfield	1
Jo Anson	1
Rob Woollatt	1
Geraldine Chadwick	1

BDO (Internal Auditors) – Greg Rubins	By email
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List Updated: July 2019