

## AUDIT COMMITTEE

WEDNESDAY 20 APRIL 2022 AT 6PM

THE MEETING WAS LIVESTREAMED AND CAN BE VIEWED HERE

<https://youtu.be/9qhUkszCW3s>

**Present:**           **Councillors:**

**In Person:**

**Cllr Nick Sharman in the Chair**

**Cllr Margaret Gordon, Cllr Anna Lynch and**

**Cllr Gilbert Smyth**

**Virtually:**

**Councillor Sophie Conway**

**Officers: Jacquie Burke (Group Director – Children and Education), Bruce Devile (Head of Business Intelligence and Member Services), Peter Gray (Governance Officer), Dawn Carter McDonald (Director of Legal, Democratic Services and Governance), Jackie Moylan (Director of Financial Management), Michael Sheffield (Corporate Head of Audit and Anti-Fraud), Matthew Powell (Corporate Risk Adviser), Pradeep Waddon (Head of Treasury Management and Payments), Helen Woodland (Group Director, Adults, Public Health and Integration), Ian Williams (Group Director, Finance and Resources), Deirdre Worrell (Director of Neighbourhood and Housing Finance)**

**Also Present:           Stuart Firth and Suresh Patel (Mazars – External Auditors)**

### **1 Apologies for absence**

1.1 Apologies for absence were submitted on behalf of Councillor Michelle Gregory.

### **2 Declarations of Interests**

2.1 There were no declarations of interest.

### 3 Non-confidential minutes of the previous meeting on 5 January 2022

- 3.1 The non-confidential minutes of the meeting on 5 January were agreed as a correct record.

#### **Matters arising – Actions from the previous meeting**

##### **3.1.1 Housing Revenue Account**

- 3.1.2 The Director of Neighbourhood and Housing Finance reported that the update on housing repairs had been circulated to the Committee. The Strategic Director of Housing would respond in writing to the question at 8.12 of the minutes.

- 3.1.3 The Governance Officer would seek an update on the action at 3.1 of the minutes.

**Action: Governance Officer**

### 4 Annual Accounts 2020/21

- 4.1 The Director of Financial Management introduced the report, highlighting the following:

- The accounts were submitted later than expected due to impacts of the Cyber-attack on the Council's systems;
- An increase in general reserves between 2020 and 2021 by £22m, mainly attributable to the fact that grant was received in respect of additional release held in reserve and set aside to meet a deficit accrued;
- There was a large deficit in the collection fund;
- The Pensions fund accounts were considered by the Pensions Committee in November 2021. It was the Audit Committee's role to approve the accounts;
- The net assets of the Pensions Fund had increased by 370m. The first impacts of the Pandemic were seen at the end of 2020 with an artificial low in the figures and an increase since that time;
- In regard to the Annual Governance Statement there were a number of actions that were required to be addressed relating to:
  - The corporate impact of the Cyber-attack
  - The delay in the submission of the Statement of Accounts
  - Cost pressures in Adult Social Care and Education
  - The Impact of the Ofsted judgement

#### **RESOLVED:**

- To approve the Council's 2020/21 Statement of Accounts subject to the finalisation of audit processes and resolution of the infrastructure asset issue referred to at paragraph 6.2.

- To approve that the Group Director of Finance and Corporate Resources be authorised to agree and approve the final Statement of Accounts for 2020/21 subject to the finalisation of the external auditor's outstanding work as set out in their Audit Update Report (Council) and Initial Audit Completion Report (Pension Fund) and resolution of the issue in relation to infrastructure assets.
- To approve, in its own right, the Annual Governance Statement contained within the Statement of Accounts.

## 5 External Auditors Report

5.1 Suresh Patel highlighted the following:

- That good progress was being made on both audits, anticipated to be completed by early May 2022;
- A national issue had arisen preventing all Audit Firms from completing Local Authority audits. A Chartered Institute of Public Finance and Accounting Task and Finish Group was currently considering this matter with an outcome expected in early June;
- There were no matters of concern in relation to Value for Money.
- There had been no instances when the Council was unable to supply sufficient evidence;

5.2 Stuart Firth highlighted the following:

- Pensions had been reviewed but would not be completed until the Pensions Fund audit was completed;
- Movement in the Reserve Statement had been completed and was to be reviewed;
- Much of the Payroll work had been completed and was to be reviewed;
- Work on valuations was ongoing;
- Work on debtors provision was now complete;
- Cash and bank, collections and reserves had been finalised;
- Administration and Internal Investment had been reviewed;
- Investment assets had been largely reviewed;
- Approximately 2 items were awaiting completion.

5.3 In response to the Chair, Suresh Patel confirmed that, with the exception of infrastructure assets the Auditors were satisfied with the accounts.

5.4 Councillor Smyth asked for clarification on what areas were outstanding in relation to 'Management Override of Controls'.

5.5 Stuart Firth reported that work was ongoing on items 1 and 3 and debt provision.

5.6 Councillor Lynch referred to the risks and challenges around Adult Social Care, temporary accommodation and Income streams. She stated that she was reassured by the Auditor's report.

5.7 The Chair stressed that delay in the production of the accounts undermined the political importance and accountability to the public and that there was a need

to have a timely process in future in relation to the production of the accounts. He asked for progress on the current audit and for reassurance that Mazars had addressed the issues facing them.

- 5.8 Suresh Patel confirmed that the Organisation was getting on track with the allocation of sufficient resources and a timetable in place to ensure the timely completion of the audit with a report to the Audit Committee in November 2022.
- 5.9 Councillor Gordon asked for any additional implications of the Cyber-attack. Suresh Patel confirmed that a report on this matter would be made to a future meeting of the Committee.

**Action: Suresh Patel**

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- 5.10 Councillor Smyth asked for clarification on what measures were in place to mitigate the impact of the Cyber-attack on the provision of services.
- 5.11 The Group Director of Finance and Resources highlighted the following:
- Work was ongoing on the protection of Income Streams;
  - Additional support was in place to ensure that residents in difficulty are supported;
  - Significant investment in terms of the Housing Revenue Account (HRA) with support to tenants on rent payment;
  - Support provided to residents by the Council Tax Team;
  - The successful allocation of all discretionary payment of housing monies;
  - The hardship fund was being utilised to support residents.

**RESOLVED:**

- To note the report.

## **6 Finance Update**

- 6.1 The Group Director of Finance and Resources highlighted the following:
- An overspend of £4.96m for 2021/22 (A reduction of £6.5m)
  - The main areas of overspend related to COVID-19, the Cyber-attack and the pressures on Social Care;
  - A breakeven position was forecast on the HRA:
  - A further £500m had been allocated to Local Authorities by the Government. The allocation to Hackney Council had not yet been confirmed;
  - There was continued uncertainty over future funding levels;
  - The 2020/21 audit was nearing completion. The preparation process for the 2021/22 audit had begun;
- 6.2 The Chair stated that the uncertainty in future funding was reflected in the circumstances facing Hackney residents. He considered that the new Hackney Administration would face a considerable period of uncertainty with pressures on housing, children and adult services.

- 6.3 Councillor Gordon referred to the impact of the cost of living crisis on residents and the Council's finances as a consumer.
- 6.4 The Group Director of Finance and Resources highlighted the following:
- The Council was a significant consumer, facing pressures on its own resources;
  - The Council was ensuring that its processes were sensitive to the challenges that Hackney residents were facing, utilising resources in the Hardship Fund and its' own resources to provide support;
  - A Council Tax rebate of £150 was available to residents;
  - The Council was considering ways to mitigate reliance on current energy sources;
  - There were significant financial pressure on Adult Social Care;
  - An update on these matter would be made to the July Cabinet meeting.
- 6.5 Councillor Lynch referred to the impact of the change to National Insurance. She stressed the need to seek feedback from residents on Council services provided to input into any transformation together with Audit Committee work on Value for Money.
- 6.6 The Group Director of Finance and Resources highlighted the following:
- Ongoing work on the SEND budget with successful lobbying in this area. A shortfall still existed;
  - The Council was considering how it used its facilities to reduce reliance on the private sector and to deliver the expected outcomes;
  - A pay award to staff was delivered at an earlier time to when the changes to National insurance took effect;
- 6.7 Councillor Smyth asked for clarification in regard to the use of the Housing Support Fund of £2.8m. It was clarified that this amount had now been spent.

## 7 Performance Report

- 7.1 Bruce Deville introduced the report providing an updated set of key performance indicators together with an update on risk management. The report also set out the latest capital programme monitoring and an analysis of forecast spend to the original and revised budgets. He highlighted the following:
- High levels of staff sickness;
  - High levels of rent arrears;
  - Continued pressure for the Planning Department to meet local targets although statutory targets were being meet;
  - Income from PCNs had increased;
  - Work was to commence on measures of performance management across the Board with an increased focus on outcomes.
- 7.2 The Chair expressed concern that the level of rent arrears continued to increase and stressed that Council Tax income was important to the Council's viability. He referred to the fact that making tenant contact was essential. He asked for any forecast in relation to quarter 4.

- 7.3 The Director of Neighbourhood and Housing Finance told the Committee that there had been a slight reduction in arrears from the end of quarter 3 to £15.2m. Productivity measures were now in place with a target of 1400 home visits per month with an increase in notices and reminder letters. Households would be signposted to sources of support. In relation to quarter 4 a marginal improvement was expected. The impact of the new arrangements would be tracked and those tenants who could afford to pay rent would be targeted.
- 7.4 Councillor Lynch stressed the need to consider how to deal with staff absence within the existing workforce and emphasised the need for a Workforce Strategy.
- 7.5 The Group Director of Finance and Resources highlighted:
- That Human Resources was taking steps to ensure that all managers were aware of the position with regard to sickness, in particular long standing cases. 50 top cases had been identified with consideration of ways to address the issue;
  - A process was in place to assist those staff to make the choices they need to make and to ensure that managers are confident in this process;
  - An update on sickness levels would be made to the next meeting.

**Action: The Group Director Finance and Resources**

- 7.6 Councillor Gordon asked for an update on the backlog of Housing Benefits cases.
- 7.7 The Group Director of Finance and Resources told the Committee that it was expected that those cases affected by the Cyber-attack would be cleared in the coming weeks. There would, however, continued to be the challenge of legacy cases.
- 7.8 The Chair stressed the need to a review of data sources on performance, a matter that could be pursued by the new Chair.
- 7.9 Jackie Moylan highlighted that the relatively low level of spend against the original budget was largely driven by three main factors:
- construction industry inflation resulting in tender prices being above cost estimates and further work required on viability of schemes;
  - The ongoing impact of Covid-19, which had resulted in both slower starts on site and reduced activity overall;
  - external factors determining programme or requiring scheme review and re-profiling;

In response to the Chair she confirmed that if these factors were removed the target set would have been met.

- 7.10 The Chair emphasised that among the reasons for the decrease in housing capital was to address the budget deficit which would impact on repairs and the state of stock.
- 7.11 The Corporate Risk Adviser highlighted the following in relation to Corporate Risk:
- Risk remained around the impact of the Cyber-attack;
  - There was a range of financial risks;
  - Impact of the Ukraine war was a new risk;
  - Cost of living crisis;
  - Pressures on Adult Social Care and Children's services;
- 7.2 In response to the Chair Matt Powell confirmed that Cost of living crisis and incomes would emerge as risks.

**RESOLVED:**

- To note the performance indicators, the Risk Management Scorecard and the current monitoring update.

**8 Treasury Management Activity Report - 2021/2022**

- 8.1 Pradeep Waddon introduced the report, highlighting the following:
- Investment balances stood at £125m at the end of March 2022;
  - There had been no change to borrowing in the previous 3 months;
  - The credit quality of investments remained A to A plus;
  - All investments were monitored to ensure that there was no direct investments in Russia or Belarus;
- 8.2 Councillor Smyth asked for clarification on the level of investment in Russia.
- 8.3 Jackie Moylan confirmed that this related to the Pensions Fund and that the investment level was 0.5 %.
- 8.4 The Chair referred to the impact of inflation on the Council and the financial markets.
- 8.5 Pradeep Waddon told the Committee that Officers were working with Financial Advisers to monitor the impact of the increase in inflation and interests rate on borrowing and investments.

**RESOLVED:**

- To note the report.

**9 Directorate Risk Register - Children and Education**

- 9.1 The Group Director, Children and Families introduced the report highlighting the following:

### Children's Services

- A new risk related to Child Q. Work was ongoing to ensure that all agencies who work with children have a safeguarding first agenda;
- The Cyber-attack had impacted on Children's services;
- On 4 April there had been a return to the Mosaic system. Recording now complied with statutory requirements and returns for 2022/23 could be completed
- Demand management was an issue in children services and significant changes were made to front door and the delivery of early help, recognising that if families were helped earlier they are less likely to need more complex support;
- There was considerable risks around care placements. There had been a reduction in the number of children coming into care overall. However, the cost of placements in Children's homes was very high. The Government review was looking at addressing this issue;
- The Council had a good recording in maximising foster placements but there were not sufficient carers;
- In regard to 'No Recourse to Public Funds' where families were living in destitution, which is the financial risk, the Council is fulfilling its statutory duty whilst protecting resources and avoiding excess costs;
- The service had high financial pressures;

### Education:

- Special Educational Needs and Disabilities is a large financial pressure and a number of strategies developed to manage the risk. There had been a restructure of the service to enable improved outcomes for children and improved use of resources. An Improvement plan for SEND provision was in place. There had been an improvement in the timeliness of assessing children who require education, health and care plans;
- Work was ongoing in schools settings to ensure more inclusive educational environments and helping children earlier;
- In parts of the Borough some children were receiving education in unregistered settings. A strategy was in place in relation to unregistered educational settings with close working with OFSTED around those settings;
- There was a risk for children missing from education with a strategy in place;
- There was currently an issue across London in relation to School Place Planning with falling numbers in reception and year 1 classes and primary schools, causing significant financial pressures. Work was ongoing to mitigate these pressures, considering a refreshed school estates strategy to use spaces to provide help to children with special education needs and disabilities;

- 9.2 The Chair expressed concerns at the pressures in relation to the Council's ability to maintain standards in service provision, in particular around SEND provision and EHCP. He expressed concern that incoming resources did not match the need for services with associated long term implications in a



variety of settings. He considered that the Audit Committee would wish to receive updates on these matters.

- 9.3 The Group Director for Children and Education told the Committee that the service's ambition was to provide support to children at an earlier stage, making optimal use of schools to ensure that there was a robust in-house offer rather than relying on private providers and the non-maintained independent sector to provide placements for some of the borough's children. It was confirmed that this was a national pressure and that was important to have a focus on this matter with better outcomes for children. There was greater confidence in the strategy recently adopted around earlier help and making better uses of estates to ensure that children get the help they need to access the curriculum.
- 9.4 Councillor Gordon was encouraged by the SEND Strategy and the steps taken, referring to the ongoing crisis in SEND provision. In terms of EHCP and SEND provision and support she stressed that parents needed to be reassured that they were in receipt of and robust accountable system and the full range of opportunities for their children. Councillor Gordon referred to the fact that school exclusions was the subject of a Scrutiny Panel report and was a risk for the individuals including around reputational damage and community cohesion.
- 9.5 The Group Director for Children and Education referred to the difficulties around the current system of EHCP for children and parents. The aim was to take the matter forward with compassion, assisting children to access the curriculum in a way that maximises their opportunities. The Council was currently considering the Green Paper which focuses on these issues. A comprehensive action plan had been produced in respect of school exclusions with the anti-racism plan focusing on outcomes for the borough's black and mixed heritage boys, over represented in school exclusions. There was confidence that schools would support the approach. Consideration was being given to creative ways of including the child's voice in the solution on school exclusions and disruptive behaviour. There was a correlation between school exclusions and special educational needs. Permanent exclusion for a child was a significant safeguarding risk. The Group Director confirmed that the Council worked closely with OFSTED in relation to unregistered educational settings. The Chair of the Children's Safeguarding Board had undertaken much work in this area.
- 9.6 Councillor Lynch welcomed the new powers that OFSTED now had in relation to unregistered educational settings. She referred to the need for clearer training for members on the workings of safeguarding in the Borough and the important role of the Chair of the Safeguarding Boards and others on the Board.
- 9.7 Councillor Smyth highlighted the following:
- That the safeguarding first approach should have been in place earlier. He asked if the Police formed part of the partnership working;
  - In relation to school exclusions, the Council should consider 'Enhanced Nurture Units' as used in Glasgow at present;

- School place planning referred to financial pressure on secondary schools with the threat to long term viability. He asked for clarification on this matter.

9.8 Jacquie Burke highlighted the following:

- Confirmation that the Police formed part of the partnership working referred to. She considered that 'safeguarding first' and the welfare of children were paramount. This was always a priority and required to be revisited to ensure proper balance;
- In regard to school exclusion the Council had a good Pupil Referral Unit with an outreach approach. The Council was part of a Department for Education pilot to have joined up work with parents and a clinical team around children would be at risk of exclusion;
- Funding for schools was per child. The Council was seeking have a Schools on Estates strategy with planning on the basis of what is known of falling rolls with consequent financial implications and possible consideration of reducing forms and school mergers. As yet there had been no modelling carried out.

9.9 Councillor Gordon agreed with the importance of safeguarding training. She referred to the high cost of child places and that there was a need for focus on this area, considering ways to mitigate these escalating costs.

9.10 The Chair expressed concern that incoming resources did not match need and the consequent long term implications in variety of settings and the Committee would require updates on these matters.

**RESOLVED:**

- To note the report and the attached Risk Register.

**10 Directorate Risk Register- Adults, Health and Integration**

10.1 The Group Director, Adults, Health and Integration introduced the report, highlighting the following:

- Resources were the single biggest risk in Adult Social Care, compounded by cost of living pressures, particularly on the Council's provider market;
- Difficulties in attracting and retaining staff;
- The Increase in energy costs;
- The introduction of reforms in the Social Care Sector;
- The settlement for Adult Social Care was not sustainable;
- Work was ongoing on modelling in relation to resources and costs;
- The ability to respond to the Cyber-attack had improved significantly;
- Mosaic will be re-implemented in 2022;

10.2 Councillor Smyth asked for an update on COVID-19 vaccinations in the Borough.

10.3 The Group Director, Adults, Public Health and Integration highlighted the following:

- That vaccination in the Social Care Workforce was mandatory with good vaccination rates;
  - Since the mandatory requirement was lifted there were concerns that individuals were less inclined to have boosters;
  - Vaccinations in the wider population was not high leaving vulnerable people at greater risk of hospitalisation;
  - Much work as ongoing on targeting at present;
- 10.4 Councillor Lynch emphasised that safeguarding also applied to adults. She referred to the difficulties in recruiting and retaining staff and asked what measures could be put in place to improve this within the existing workforce and mitigating risk together with considering different ways of providing care.
- 10.5 The Group Director for Adults, Public Health and Integration highlighted the following:
- Workforce was priority with the post of Assistant Director appointed to manage this area;
  - There was a need to develop proper career pathways and career opportunities that span both the NHS and Social Care;
  - The Council was considering ways to attract young hackney people to social care posts;
  - The Council was co-designing a Skills Academy with set pathways to attract and retain staff;
  - The Council would offer Occupational Therapist qualification when online;
- 10.6 The Chair considered that both risk reports raised concerns with services under pressure while resources were inadequate.

**RESOLVED:**

- To note the report and the attached Risk Registers and controls in place.

**11 Internal Audit Plan - 2022/23**

- 11.1 The Corporate Head of Audit, Anti-Fraud and Risk Management introduced the report asking the Committee to consider and approve the proposed Annual Audit Plan and resource for 2022/23 as part of its role in overseeing corporate governance. He highlighted the following:
- The Pandemic and the Cyber-attack had impacted on the assurance work that could be carried out during that time;
  - There has been strong engagement from all of the service areas in drawing up the plan, an indicator of a return to more normal working;
  - The areas that the Committee has been interested over the last year were included in the plan, including the repairs backlog, the Net Zero targets and several audits around the ICT environment including a Needs Assessment of ICT;
  - There was sufficient flexibility in the plan to allow for a change of priorities;

**RESOLVED:**

- To approve the proposed Internal Audit Plan 2022/23 and key performance measures.

## 12 Audit and Anti-Fraud Quarterly Progress Report

12.1 The Corporate Head of Audit, Anti-Fraud and Risk Management introduced the report on the performance of the Audit and Anti-Fraud Service, the areas of work undertaken, and information on current developments in Internal Audit and Anti-Fraud together with statistical information about the work of the investigations teams.

12.2 The Corporate Head of Audit and Anti-Fraud highlighted the following:

- that the biggest challenge facing the service continued to be the impact of the Cyber-attack on the Council's systems making it difficult to audit many areas that were in the previous Audit Plan;
- 22 audits were deferred with 20 of these deferrals resulting from the Cyber-attack;
- 93 % of the plan was in progress with audits being delivered;
- This was the 2<sup>nd</sup> year when a smaller number of audit reviews had been possible. The opinion had been formed that the overall system of internal control is providing adequate level of assurance for the Council;
- Given the good engagement from services areas, there were grounds for optimism for the coming year;
- The percentage of limited and low assurance reports was comfortably within the previous year's levels but the inability to carry out an audit was a concern in itself;
- The implementation of recommendations remained at a high level and within service indicators;
- On investigations there were higher levels of referrals and outcomes from both the tenancy fraud work and the Blue Badge parking work. The numbers were lower than previously for 'No Recourse to Public Funds'.
- The quantifiable benefits from investigations will remain in an upward trend.

12.3 The Chair asked for clarification that despite all the pressures over the previous 2 years on Internal Audit with movement of staff, the level of compliance remained high throughout the Organisation. In the area of business grants there had been much evidence that there had been widespread fraud and he asked why this did not apply in the same way to Hackney Council.

12.4 Michael Sheffield confirmed that the level of compliance had remained high throughout the Organisation with the caveat that this related to the audits that had been carried out. In relation to business grants, pre-payment assessments had been carried out as well as post payment checks, impacting on the incidence of fraud. Fraudulent applications had been received but these had been identified early.

12.5 Councillor Smyth asked for clarification on how the Fire Safety Risk Assessments were carried out. Michael Sheffield confirmed that the Audit Section did not carry out inspections but advised on procedures and outcomes applied.

**RESOLVED:**

- To note the progress and performance of the Audit and Anti-Fraud Service to 31 March 2022.

**13 Whistleblowing - Progress Report**

13.1 Michael Sheffield introduced the report summarising the Council's corporate arrangements for whistleblowing and provided an update on the cases received in 2021/22. Whistleblowing continued to be a small but important work referred to the Audit Team to follow up on. Some Whistle-blowers came through an independent hot line while others reported directly to the Council. The same protection applied to both avenues. It was noted that the levels of whistleblowing were similar to those reported in previous years.

**RESOLVED:**

- To note the report.

**14 Whistleblowing Policy Update - 2022**

14.1 The Corporate Head of Audit, Anti-Fraud and Corporate Risk introduced the report presenting the revised Whistleblowing Policy for review and approval. The Policy set out the process under which staff and others could raise whistleblowing concerns and how these were to be dealt with. The Policy contained minor updates with linkages to other Hackney policies with a change procedure attached.

**RESOLVED:**

- To approve the revised Whistleblowing Policy dated 1 April 2022 as set out at appendix 1 to the report.

**15 Annual Report of the Audit Committee 2021/22**

15.1 The Chair introduced the report detailing the role of the Audit Committee and summarising the key activities and achievements in 2021/22, demonstrating how the Committee had fulfilled its role effectively, while measuring consistency with the guidance issued by the Public Sector Internal Audit Standards and other statutory requirements.

15.2 The Chair told the Committee that the report followed up on the recommendation to follow up and build on the initiatives that had been taken, particularly around performance reporting, oversight of the budget, the oversight of the Cyber-attack, external audit. He considered that all these areas required to be pursued in the new administration. He stressed that all departments needed to be involved in Net Zero initiatives and that there was a need to review the way that the Council assessed risk.

**RESOLVED:**

- To note the report.

## 16 Climate Change - Deep Dive Report

16.1 The Director for Neighbourhoods and Housing Finance introduced the report on the Net Zero Deep Dive Review, highlighting the following:

- The review was carried out to provide assurance around the internal arrangements in relation to Net Zero;
- The report covered the development of the thematic action plans and how these are linked to the delivery of targets, considering the impact of future action;
- The management arrangements were found to be robust.
- The importance of consultation and engagement with the community was emphasised;
- There were significant financial challenges in the implementation of action plans;
- 4 recommendations flowed from the conclusions;
- The importance of engagement of all Council Departments was emphasised.

16.2 The Chair highlighted the following:

- The need to build in the thematic action plan with a financial model in place;
- There was reassurance around management arrangements with much work on bringing initiatives together. There was a need for other departments to play a part in the process:
- The Executive would need to take a stronger oversight role to ensure co-operation;
- The responsible Executive member must have sufficient authority to ensure joint working;
- The importance of community involvement and engagement;
- The current gap in finances needed to be addressed with a credible route to funding;
- The report should be sent to the Chief Executive and the incoming Mayor;

**Action: Deirdre Worrell**

16.3 Councillor Smyth referred to the EPC level C and the need for the action plans to cover individual properties and block. He referred to a Civil Service report on the criteria to use in a retrofit.

16.4 Deirdre Worrell told the Committee that Housing Services was currently developing a pilot scheme that represents a typology of over 50% of housing stock. She confirmed that no decision had been taken in relation to the EPC level.

**RESOLVED:**

- To note the report

**17 Work Programme**

**RESOLVED:**

To note the report

**18 Any other non-confidential business that the Chair considers urgent**

18.1 There was no other non-confidential business.

**19 Exclusion of Press and Public**

**RESOLVED:**

THAT the press and public be excluded from the proceedings of the Audit Committee during consideration of Exempt Items 19 and 20 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be a disclosure of exempt business as defined in paragraph 7 of Part 1 of schedule 12A of the Local Government Act 1972, as amended.

**20 Confidential minutes of the previous meeting on 5 January 2022**

20.1 The confidential minutes of the previous on 5 January were agreed as a correct record.

**21 Any other confidential business that the Chair considers urgent**

21.1 There was no other confidential business

**Duration of the meeting: 6:30pm – 8:45pm**

**Chairperson: Councillor Nick Sharman**

**Contact: Peter Gray  
Governance Officer  
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