



City of Westminster

Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Wednesday 24th September, 2014**

Time: **7.00 pm**

Venue: **Rooms 3 & 4 - 17th Floor, City Hall**

Members: **Councillors:**

Jean Paul Floru (Chairman)
David Boothroyd
Lindsey Hall
Judith Warner

Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Mick Steward, Head of Committee and Governance Services.

**Tel: 020 7641 3134 Email: msteward@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Legal & Democratic Services in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

1. MEMBERSHIP

To note any changes to the membership.

2. DECLARATIONS OF INTEREST

To receive declarations by Members and Officers of the existence and nature of any personal or prejudicial interests in matters on this agenda.

3. MINUTES

To approve the minutes of the meeting held on 30 June 2014.

(Pages 1 - 6)

4. WORK PROGRAMME 2014-2015

Report of the Head of Legal and Democratic Services.

(Pages 7 - 20)

5. ANNUAL CONTRACTS REVIEW 2013-2014

Report of the Chief Procurement Officer.

(Pages 21 - 46)

6. INTERNAL AUDIT AND COUNTER FRAUD MONITORING REPORT

Report of the Acting Chief Financial Officer.

(Pages 47 - 64)

7. FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING REPORT

Report of the Acting Chief Financial Officer.

(Pages 65 - 106)

8. ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT

Peter Large
Head of Legal & Democratic Services
16 September 2014



CITY OF WESTMINSTER

MINUTES

Audit and Performance Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** held on **Monday 30th June, 2014**, Rooms 3 & 4 - 17th Floor, City Hall.

Members Present: Councillors Jean Paul Floru (Chairman), David Boothroyd, Lindsey Hall and Judith Warner

Officers Present: Anna D'Alessandro (Acting Chief Financial Officer), John Ogden (Head of Financial Management & Control), Jane Cika (Business Partner), Sevin Arabaci (Head of P2P), Andrew Sayers (Partner – KPMG), Sally-Ann Eldridge (Senior Manager – KPMG), Anthony Oliver (Chief Procurement Officer), Andrew Curtois (Acting Head of Category Management), Della Main (Operations Support Manager, Process & Governance), Chris Harris (Head of Internal Audit, Baker Tilly), Moira Mackie (Senior Manager, Baker Tilly), David Whitehouse-Hayes (Manager – Housing Benefit Fraud Investigations, Baker Tilly), Mo Raham (Strategic Business Analyst) and Ellie Simpkin (Senior Committee & Governance Officer)

Apologies for Absence: None

1 MEMBERSHIP

- 1.1 There were no changes to the membership.
- 1.2 Councillor Lindsey Hall was appointed Vice-Chairman of the Committee.

2 DECLARATIONS OF INTEREST

- 2.1 There were none.

3 MINUTES

- 3.1 **RESOLVED:** That the minutes of the meetings held on 4 February 2014 and 4 June 2014 be agreed.

4 WORK PROGRAMME 2014-15

- 4.1 The Committee considered its work programme for the 2014-15 municipal year. The Chairman highlighted the need for reports to be concise and free

from jargon. He also requested that reports contain a glossary of abbreviations and that officer contact details were clear.

- 4.2 With regard to disbanding the Committee's working groups, whilst the Committee agreed that a number of the groups had not met recently and recognised that had been established when the Committee had a larger membership, Members felt that the Audit and Process Group still had an important role play and did meet regularly. It was therefore agreed that the Audit and Process working group would continue with Councillor Floru replacing Councillor Mitchell on the Membership.
- 4.3 Members raised concerns over the Annual Contracts Review report (item 6 on the agenda) in so far that they felt that there would not be enough time at the meeting for close examination of the report, given that the Final Accounts were also on the agenda. The Committee agreed to defer the report to the September Committee meeting. Mr Anthony Oliver, Chief Procurement Officer, suggested that the Committee may like to receive a half yearly update in addition to the annual review report. The Committee welcomed this suggestion.
- 4.4 **RESOLVED:** That 1) the work programme, subject to the Annual Contracts Review 2013-14 being moved to the September meeting, be agreed and 2) the working groups, with the exception of the Audit and Process Working Group, be disbanded with more detailed Member involvement being carried out via a working group or single-Member investigation as agreed by the Committee on an ad-hoc basis.

5 FINAL ANNUAL ACCOUNTS 2013-14

- 5.1 The Committee had before them the Final Statement of Accounts 2013-14 as well as the ISA 260 report from KPMG and an Objection Update report from KPMG which summarised the current status of objections to the accounts. The Chairman announced that these papers were circulated separately to the main agenda and had not met the statutory deadline. The reports had been circulated at the earliest opportunity, once the external auditors had completed the necessary work to be able to report to Members the findings from the audit and the audit adjustments to the draft accounts. He had therefore considered these papers to be matters of urgency and agreed to accept them as late items.
- 5.2 Mr Andrew Sayers, KPMG, introduced the reports explaining that the accelerated closedown timetable, with the aim have an audited set of accounts by 30th June, had impacted on the quality of the accounts. The audit had identified a total of seven adjustments relating to areas including non-domestic rates, the revaluation of Council dwellings and the transfer of three schools to academies. Overall, these adjustments did not have an impact on the general fund, however, it was considered to be a high level of adjustments (the total value being £93m). The Council's underlying financial systems were deemed to be effective overall. An unqualified value for money conclusion had also been issued, however the audit report would include a Report by Exception as it was felt that there was still further work required to

embed improvements in procurement activity. Mr Sayers confirmed that KPMG had complied with all requirements on objectivity and independence.

- 5.3 Ms Anna D'Alessandro, Acting Chief Financial Officer, commented that the Council accepted all comments made by the auditors and acknowledged that the timetable had been challenging. The Committee asked about the rationale of bringing the close of accounts forward and was informed that the close of accounts was a very time consuming and backward-facing process and that truncating the process would free-up officers in the corporate finance team to allow them to look to the year ahead, focus on the savings to be achieved and give full consideration to the medium term financial issues. The Committee noted that it was hoped that the 2014-15 final accounts would be completed by 30th May 2015.
- 5.4 The Committee asked about the amount of time and resources being used to reorganise and restructure across the Council, given that this activity focused on the organisation rather than the community. Ms D'Alessandro explained that the Council had to achieve savings of £100m over the next 3 years and significant and on-going change was needed in order to achieve these savings. The focus would be on back office functions.
- 5.5 Councillor Boothroyd requested copies of the auditors letters in respect of those objections which were being closed. He also questioned whether the Council had any responsibility for the accounts of the Queens Park Community Council. Officers undertook to provide further information on this. Councillor Warner asked about the accounts for Westco, the Council's trading organisation and was informed that these were consolidated in the group accounts. Councillor Warner requested further information on the Westco accounts.
- 5.6 The Chairman summarised that:
- The Committee acknowledged that staff had worked hard to produce the accounts in the accelerated timetable but that there had been a number of adjustments. The Committee noted that the final accounts would be produced earlier again next year.
 - There were still two outstanding objections to accounts. The Committee highlighted that these should be dealt with as soon as possible.
 - The auditor had issued an unqualified opinion on the accounts.
 - The Committee was concerned that constant re-organisation would detract from frontline services.
- 5.7 **RESOLVED:** That 1) the Committee the final audited Statement of Accounts 2013-14 be approved; 2) the Committee notes the ISA 260 report from KPMG, accepts the recommendations and notes the Council's response and 3) the Committee notes the current status of objections.

The Committee adjourned from 7.52 – 7.58 in order to allow the Chairman to sign the Final Accounts.

6 ANNUAL CONTRACTS REVIEW 2013-14

- 6.1 **RESOLVED:** That the report be deferred to the September meeting in order to ensure that the Committee has sufficient time at a meeting to discuss the issues in full.

7 ANNUAL INTERNAL AUDIT AND COUNTER FRAUD MONITORING REPORT

- 7.1 Chris Harris, Audit Manager, Baker Tilly Business Services, introduced the annual internal audit report which outlined the key outcomes from the Internal Audit & Counter Fraud work in 2013/14. It was noted that internal audit work carried out in the financial year 2013/14 found that in the areas audited, internal control systems were generally effective with 83% of the audits undertaken receiving a positive assurance opinion. This was an improvement on the percentage of audits receiving a positive opinion in the previous financial year. Housing Benefit investigations had resulted in ten prosecutions and eighty-two "Cautions" or "Administrative Penalties" during 2013/14 which related to overpayments and fines totalling nearly £500k of which approximately £99k had been recovered so far. General fraud investigation work during the year had resulted in five Council properties being recovered and one housing application being prevented. In addition, investigations into the misuse of disabled parking badges had resulted in two prosecutions.
- 7.2 The Committee asked for an update on issues relating to adult services given that the service had been the subject of other limited assurance audits and further questioning of the Committee at a previous meeting. It was noted that follow up work to see if recommendations implemented would be completed within 6 months of the initial report. Moira Mackie, Senior Manager, Baker Tilly, explained further that with the implementation of the Tri-borough working adult services had been through a lot of change. There was a period during which the systems across the three boroughs were not fully aligned in many areas and officers were working within three different systems, however, improvements were being made and an advantage was that the service could align with the best practice option. The Committee asked about the sharing of best practice in general across authorities and Mr Harris explained that Baker Tilly had internal processes for making sure auditors were aware of best practice, however, London borough authorities were much larger and complex than other public sector organisations and therefore could be difficult to translate from small districts to large authorities such as Westminster. Mr Harris suggested that future internal audit reports to the Committee could include more specific reporting back on recommendations and improvements which could be made with regard to control weaknesses which had been identified. This information was shared with officers as part of the audit process but it could also be helpful to Members. The Committee welcomed this suggestion.
- 7.3 Councillor Hall updated the Committee on the implementation of the Single Fraud Investigation which would see responsibility for fraud investigations transfer to the Department of Work and Pensions. It was noted that the transfer from Westminster was currently expected in March 2015. The

transfer of the pilot areas had been delayed due to issues with data sharing and was expected in mid-July. There had been concerns raised by the Cabinet Officer over the risk that skills and local knowledge could be lost in the transfer.

- 7.4 **RESOLVED:** That the year-end internal audit and counter fraud report be noted.

8 FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING REPORT

- 8.1 Ms D'Alessandro presented the finance report for May 2014 (period 2), highlighting that the Council was currently projecting an overall budget deficit of £1.7m which was mostly related to an increased demand on temporary housing costs. The Housing department was taking this overspend very seriously and she was confident that the projected overspend would decrease. The 2014/15 savings programme was being monitored closely and making good progress with c28% of savings being rated as green/complete. With regard to the General Fund, the 2014/25 budget currently proposed the use of £2m of reserves.
- 8.2 The Committee noted that the Council needed to achieve savings of £100m over the next 3 years and asked about how savings would be achieved. Ms D'Alessandro explained and that the Chief Executive was looking for the Council to explore less siloed ways of working and opportunities with partner agencies such as the NHS. Further tri-borough arrangements would deliver some of the savings. It was noted that Public Health had not been set any savings targets given it was the first year of service being part of the local authority. The budget was also ring-fenced but this did not mean that efficiencies would not be explored in the future.
- 8.3 Mo Rahman, Strategic Business Analyst, introduced the 2013/14 end of year performance report which updated the Committee on the delivery against the 2013/14 Business Plans and Better City, Better Lives projects and activities.
- 8.4 The Chairman raised concerns about the number of planning applications not being processed within the required timescales and that no target had been set in 2013/14 for the number of planning applications determined within 8 weeks. The Chairman also had concerns over missed targets relating to the recruitment of foster carers and care leavers. It was agreed that the Committee would have an 'interview slot' at future meetings in which officers from the service areas would be asked to attend the meeting to discuss performance in more detail.
- 8.5 Councillor Boothroyd requested further information on the impact of short term lettings.
- 8.6 Mr Rahman also informed the Committee that there were some changes taking place to how performance monitoring was carried out and presented. A briefing paper on these changes would be circulated to the Committee

ahead of the September meeting, at which the new monitoring information would be presented.

8.7 **RESOLVED:** That the report be noted.

The Meeting ended at 8.38 pm

CHAIRMAN: _____ **DATE** _____



City of Westminster

Audit & Performance Committee Report

Meeting:	Audit & Performance Committee
Date:	24th September 2014
Classification:	General Release
Title:	Work Programme
Wards Affected:	N/A
Financial Summary:	There are no direct financial implications arising from this report
Report of:	Head of Legal & Democratic Services
Report Author:	Ellie Simpkin, Senior Committee and Governance Officer. Tel: 020 7641 7056 or email: esimpkin@westminster.gov.uk

1. Executive Summary

- 1.1 The Committee is invited to review its work programme for the 2014/15 municipal year, attached at appendix 1.
- 1.2 The Committee is also invited to review the actions which arose from the last meeting and the work undertaken in response, as detailed in appendix 3.

2. Recommendations

1. That the Committee agrees its Work Programme attached as at **appendix 1** to the report.
2. That the work undertaken in response to the actions which arose from the last meeting, as detailed in at **appendix 3** to the report, be noted.

3. Choosing items for the Work Programme

- 3.1 The Committee's Work Programme for 2014/15 is attached at appendix 1 to the report.
- 3.2 Members' attention is drawn to the Terms of Reference for the Audit and Performance Committee (attached as appendix 2) which may assist the Committee in identifying issues to be included in the Work Programme.

4. Monitoring Actions

- 4.1 The actions arising from each meeting are recorded in the Action Tracker attached as appendix 3. Members are invited to review the work undertaken in response to those actions.

5. Resources

- 5.1 There is no specific budget allocation for the Audit and Performance Committee.

6. Approval and modification

- 6.1 The work programme will be reviewed at each meeting of the Committee and items can be removed or added.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

**Ellie Simpkin, Senior Committee and Governance Officer
Legal and Democratic Services**

Tel: 020 7641 7056 or email: esimpkin@westminster.gov.uk

APPENDICES:

Appendix 1 – Work Programme 2014/15

Appendix 2 – Terms of Reference

Appendix 3 – Committee Action Tracker

BACKGROUND PAPERS:

None

Work Programme 2014/15

Audit and Performance Committee

24 September 2014

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2014-15	The Committee is invited to review its work programme for the 2014/15 municipal year and monitor the progress of the Working Groups.	Ellie Simpkin
Annual Contracts Review 2013/14	To review of the City Council's contracts, including details of contracts awarded, waivers and performance.	Anthony Oliver
Quarter 1 Finance & Performance Business Plan Monitoring Report	<p>To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.</p> <p>Officers from the Planning Department to attend to answer questions in relation to current performance indicators.</p>	<p>Anna D'Alessandro (Finance)</p> <p>Mo Rahman (Performance)</p>
Internal Audit and Counter Fraud Monitoring Report	To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal	Chris Harris

	control framework.	
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26 November 2014

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2014-15	The Committee is invited to review its work programme for the 2014/15 municipal year and monitor the progress of the Working Groups.	Ellie Simpkin
KPMG Annual Audit Letter 2013/14	To provide KPMG's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources.	Sally-Anne Eldridge KPMG
Corporate Complaints 2013/14	To report on the volume and details of complaints received by the Council and CityWest Homes in 2013/14.	Sue Howell
Quarter 2 Finance & Performance Business Plan Monitoring Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Anna D'Alessandro (Finance) Mo Rahman (Performance)
Internal Audit and Counter Fraud Monitoring Report	To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	Chris Harris

4 February 2015

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2014-15	The Committee is invited to review its work programme for the 2014/15 municipal year and monitor the progress of the Working Groups.	Ellie Simpkin
KPMG Certification of Claims and Returns Annual Report (Audit 2013/14)	To report the findings from the certification of 2013/14 claims and the messages arising from the assessment of the Council's arrangements for preparing claims and returns and information on claims that were amended or qualified.	Sally-Anne Eldridge KPMG
Maintaining High Ethical Standards at the City Council	To maintain an overview of the arrangements in place for maintaining High Ethical Standards throughout the authority and in this context to receive a report annually from the Head of Legal and Democratic Services and the Chief Operating Officer.	Peter Large
Quarter 3 Finance & Performance Business Plan Monitoring Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Anna D'Alessandro (Finance) Mo Rahman (Performance)
Internal Audit and Counter Fraud Monitoring Report	To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and	Chris Harris

	establishing an effective and robust internal control framework.	
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14 April 2015

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2014-15	The Committee is invited to review its work programme for the 2012/13 municipal year and monitor the progress of the Working Groups.	Ellie Simpkin
KPMG Annual Audit Plan 2015/16	To set out the audit work that KPMG proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2015/16.	KPMG
Annual Statement of Accounts	To review and comment on the draft and final Annual Statement of Accounts prior to submission to the Cabinet Member for Finance, Resources and Customer Services.	Anna D'Alessandro
Quarter 4 (Interim) Finance & Performance Business Plan Monitoring Report	To monitor the budget, contracts, risk and delivery through the quarterly performance plan monitoring report and quarterly reports on service and financial performance. The report will also include details of measures to improve payment performance and debt recovery within the City Council as well as monitoring the write-off position.	Anna D'Alessandro (Finance) Mo Rahman (Performance)

Internal Audit and Counter Fraud Monitoring Report	To oversee and monitor the success of the annual Audit and Anti-Fraud Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	Chris Harris

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AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

CONSTITUTION

4 Members of the Council, 3 Majority Party Members and 1 Minority Party Member, but shall not include a Cabinet Member.

TERMS OF REFERENCE

Audit Activity

1. To consider the head of internal audit's annual report including the auditor's opinion on the Council's control environment and a summary of internal audit and anti-fraud activity and key findings.
2. To consider reports, at regular intervals, which summarise:
 - the performance of the Council's internal audit and anti fraud service provider/s
 - audits and investigations undertaken and key findings
 - progress with implementation of agreed recommendations
3. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
4. To consider specific reports as agreed with the external auditor.
5. To comment on the scope and depth of external audit work and to ensure it gives value for money.
6. To liaise with the Audit Commission over the appointment of the Council's external auditor.
7. To comment on the proposed work plans of internal and external audit.

Regulatory Framework

8. To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour.
9. To review any issue referred to it by the Chief Executive or a Director, or any Council body.
10. To monitor the effective development and operation of risk management and corporate governance in the Council.

11. To monitor Council policies on 'Raising Concerns at Work', the Council's complaints process and the Antifraud and Corruption Strategy; specifically the effectiveness of arrangements in place to ensure the Council is compliant with the Bribery Act 2010.
12. To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
13. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
14. To consider the Council's compliance with its own and other published standards and controls.
15. To maintain an overview of the arrangements in place for maintaining High Ethical Standards throughout the Authority and in this context to receive a report annually from the Head of Legal and Democratic Services and the Chief Finance Officer.

Accounts

16. To review the annual statement of accounts and approve these for publication. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
17. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Performance Monitoring

18. To review and scrutinise the financial implications of external inspection reports relating to the City Council.
19. To receive the quarterly performance monitoring report and refer any issues which in the Committee's view require more detailed scrutiny to the relevant Policy and Scrutiny Committee.
20. To review and scrutinise personnel issues where they impact on the financial or operational performance of the Council including but not limited to agency costs, long-term sickness, ill health early retirements and vacancies; and
21. To review and scrutinise Stage 2 complaints made against the City Council and monitor progress.

22. To consider and advise upon, prior to tender, the most appropriate contractual arrangements where a proposed contract has been referred to the Committee by the Chief Executive.
23. To maintain an overview of overall contract performance on behalf of the Council.
24. To review and scrutinise contracts let by the Council for value for money and adherence to the Council's Procurement Code.
25. To review and scrutinise the Council's value for money to Council tax payers.
26. To scrutinise any item of expenditure that the Committee deems necessary in order to ensure probity and value for money.

Staffing

27. To advise the Cabinet Member for with responsibility for Finance on issues relating to the remuneration of all staff as necessary.
28. In the course of carrying out its duties in respect of 27 above, to have regard to the suitability and application of any grading or performance related pay schemes operated, or proposed, by the Council.

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Committee Action Tracker

Actions: 30 June 2014 Meeting

Action	Outcome	Lead Officer
<p>Final Accounts</p> <p>Copies of auditor letters in respect of those objections which were being closed to be sent to Councillor Boothroyd.</p>	<p>Copies of these letters have been sent to Councillor Boothroyd as requested.</p>	<p>John Ogden</p>
<p>Details on the responsibility for the accounts of the Queens Park Community Council to be provided to Councillor Boothroyd.</p>	<p>The Queens Park Community Council is an independent body, as such the Council has no responsibility for the production and / or audit of their accounts. This responsibility lies with their directors.</p>	<p>John Ogden</p>
<p>Councillor Warner requested further information on the Westco accounts.</p>	<p>Copies of have been sent to Councillor Warner as requested.</p>	<p>John Ogden</p>
<p>Finance Monitoring</p> <p>Further information on the impact of short term lettings to be sent to Councillor Boothroyd.</p>	<p>This information is being collated and will be forwarded to Councillor Boothroyd as soon as possible.</p>	<p>John Ogden</p>
<p>Performance Monitoring</p> <p>'Interview slot' at future meetings in which officers from the service areas attend the meeting to discuss performance in more detail.</p>	<p>Action Taken</p>	<p>Mo Rahman Ellie Simpkin</p>
<p>A briefing paper on the changes taking place to how performance monitoring is carried out and presented to be circulated to the Committee ahead of the September meeting.</p>	<p>Briefing note has been circulated</p>	<p>Mo Rahman</p>



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	24 September 2014
Classification:	General Release
Title:	Annual Contract Review 2013/14
Wards Affected:	N/A
Financial Summary:	N/A
Report of:	Chief Procurement Officer
Authors:	Anthony Oliver, Chief Procurement Officer 020 7641 2608 Della Main, Operations Support Manager – Process and Governance

1. Executive Summary

- 1.1 This report forms the Annual Contracts Review for consideration by the Audit and Performance Committee, in accordance with the following terms of reference:
 - 23. To maintain an overview of overall contract performance on behalf of the Council.
 - 24. To review and scrutinise contracts let by the Council for value for money and adherence to the Council's Procurement Code.
- 1.2 61 contracts over the value of £150,000 and 31 contracts with a value of less than £150,000 were let in 2013/14 in accordance with the requirements of the Procurement Code, as indicated in appendix A.
- 1.3 There were 66 extensions and 11 variations of existing contracts as highlighted in Appendix B.

- 1.4 In exceptional circumstances a waiver to the requirements of the Procurement Code may be obtained from the Chief Procurement Officer. Appendix C provides details of the 48 waivers that were approved.
- 1.5 The performance of live contracts in 2013/14 is shown in Appendix D.
- 1.6 The council's new eSourcing Platform, capitalEsourcing was launched in January 2014 and will provide an evidence based robust means of managing the end to end procurement process.
- 1.7 A Tri-borough Contracts Management Framework will be rolled out in November 2014 to create a consistent approach to Contracts Management that will be applied to all external third party relationships.
- 1.8 Procurement Audits, conducted by the Westminster City Council appointed auditors Baker Tilly, were carried out on key procurement projects.

2. Recommendations

It is recommended that the Audit and Performance Committee note the contents of this report.

3. Reasons for Decision

The reason for the recommendation is to comply with the terms of reference of the Audit and Performance Committee.

4. Background, including Policy Context

4.1 In accordance with the terms of reference of the Audit and Performance Committee, an Annual Contracts Review must be submitted for their consideration.

4.2 The format of reporting focuses on the Strategic Executive Board (SEB), as the SEB is responsible for the overall management of the Council, for setting and monitoring overall direction, ensuring high performance and for overall risk and reputation management. Cabinet portfolios have been designed to create parallel responsibilities where possible.

§ **Chief Executive: Charlie Parker**
(Head of Paid Service)

§ **Executive Director for Children's Services: Andrew Christie**
(Children's social services and schools covering Westminster, Hammersmith and Fulham and Kensington and Chelsea).

§ **Tri-borough Executive Director of Adult Social Care: Liz Bruce**
(Adult Social Care and health covering Westminster, Hammersmith and Fulham and Kensington and Chelsea).

§ **Strategic Director for the Built Environment: Rosemarie MacQueen**
(City Planning; Development Management; Economic Development; Highways and Transportation; Building Control; Public Realm; Arboriculture).

§ **Strategic Director for City Management: Leith Penny**
(Street and premises management; Waste and Parks; Parking; Special Events; Civil Contingencies; Sports, Leisure and Wellbeing).

§ **Strategic Director for Housing, Regeneration and Property: Ben Denton**
(Housing; Housing Renewal Programme; Rough Sleeping; Temporary Accommodation; Corporate Property; Worklessness; Libraries and Culture).

4.3 In 2012/13 a number of Service Support Units, Delivery Units and Commissioning Units came under the responsibility of Mike More, Chief Executive. With the appointment of a new Chief Executive, Charlie Parker, the responsibility for these units has been re aligned, but for the purposes of this report, I have listed them under Charlie Parker.

4.4 This report is a summary of contract data provided by each Nominated Authorised Officer, and from the minutes of Gate Review Panel meetings. Following consideration by members of the Audit and Performance Committee, the report will be submitted to the Cabinet Member for Finance and Customer Services, only if required under their Terms of Reference eg "To maintain an overview of overall contract performance on behalf of the Council".

5. Procurement Governance

5.1 The award and management of contracts has been governed by the Council's Procurement Code Version 1.8.

5.1.1 The Procurement Code was subsequently updated in April 2014 which was updated and published as version 1.9 in April 2014 to address:-

- Organisational changes within the Strategic and Commercial Procurement team;
- The introduction of the **mandatory requirement** to use capitalEsourcing, the new end to end sourcing solution to be used for:
 - All requests for quotes (£10k and above)
 - All tenders
 - All contracts (management of contracts with a total value of £100k and above and reporting for all contracts with a total value between £10k and £100k)
- The requirement that when requesting quotes, where possible, to obtain a quote from a Westminster based business or a small business owned by a Westminster resident;
- The change to the contract sealing threshold, from >£100,000 to >£175,000;
- Clarification of the decision making process for contract extensions and variations.
- Changes to scope including the evidence required for a "Defined Circumstance".
- Inclusion of TriBorough procurement governance arrangements.
- Inclusion of a Contract Management section, which sets out the key responsibilities of Contract Managers.

5.1.2 The Procurement Code was further updated in August 2014 and published as version 1.10 to address:-

- **Fundamental Principles:** A requirement for disclosure by officers of interest in contracts.
- **Extensions and Variations:** Procedures for approving use of contingency sums.
- **Systems:** The requirement for officers involved in management of procurements and contracts to undergo systems training.
- **Defined Circumstances:** The inclusion of Works performed under a section 106 agreement.
- **Information about capitalEsourcing and how to book training** to use the new tool is on TriBnet now (access via IE not Chrome to view).

- 5.2 Peer Reviews oversee the procurement of contracts up to £100,000, providing challenge and rigour. Peer Reviews are led by the Nominated Authorised Officer and are made up of a combination of appropriate officers such as Commissioners, Category Managers and Finance Business Partners. The level of challenge should be proportional to the cost and complexity of the procurement activity being reviewed.
- 5.3 The Gate Review Panel is a senior officer group responsible for overseeing contract letting, contract management, extensions and variations to existing contracts within the Council for contracts over £100,000. The panel is chaired by the Chief Procurement Officer and continues to provide strategic advice and defines and disseminates best practice.
- 5.4 In August 2012 the Chief Procurement Officer implemented a “Procurement/Commercial Foundations” Programme to introduce a new operating model. This provided a platform for improving procurement and corporate contracts management, with more professional and commercial focus and new best practice (standardised) processes and systems (capitalE sourcing). The Programme of activity has run through to early 2014.
- 5.5 Procurement is centre led and a Category Management approach has been adopted. Category Management is a cross functional approach that uses to our advantage service expertise alongside professional procurement skills (such as CIPS¹ qualified officers) to effectively manage the organisation’s spend. We have two Category Management teams; Corporate and City Services (predominantly supporting the Built Environment, City Management, Public Health and wider corporate service initiatives) and Housing & Construction (supporting Housing Regeneration, general Construction i.e. Libraries/Leisure/Schools, and Property). The Housing team also work closely with City West Homes.
- 5.6 A Tri-borough Corporate Services review, encompassing procurement, is recommending a centre led approach for Tri-borough and a Category Management approach across the three Councils with contracts management decentralised. Elements of the “Procurement/Commercial Foundations” Programme will continue as the three Councils collaborate to standardise and simplify processes. The Chief Procurement Officer is leading the Operating Model Workstream addressing all procurement policy, governance, process and systems for Tri-borough.
- 5.7 A Contracts Management Framework is being developed which will be rolled out in November 2014 to create a consistent approach to Contracts Management that will be applied to all external third party relationships. The Contract Management Framework will focus on the delivery of obligations (of all parties) as set out in the contract. These obligations might range from the provision of a

¹ Chartered Institute of Purchasing and Supply

service or delivery of products, through to the provision of information and payment. It is also about the facilitation and on-going review of contracts and the resolution of unforeseen issues, events and disputes.

5.8 In the main, Contract Management aims to ensure that the contract delivers at least what was contemplated upon its creation through:

- Managing contractual obligations
- Monitoring performance
- Securing supply
- Managing issues and risks
- Managing change
- Monitoring cost of service
- Managing demand

5.9 Procurement Audits, conducted by the Westminster City Council appointed auditors Baker Tilly, were carried out on key procurement exercises. This was in order to review procurement processes, evaluation criteria and the results of the evaluation of tenders and to provide further assurance before progressing through the Procurement Gate process and Cabinet Member approval.

6 Procurement Systems

6.1 In January 2014 the new eSourcing tool for Tri-borough (capitalE sourcing) went live. capitalE sourcing is an end-to-end eSourcing Platform which encompasses spend analysis, strategic sourcing, procurement (including Request For Quote), evaluation, contract management, compliance, supplier performance management, and programme management solutions in an integrated suite. All stages of the procurement process including supplier engagement, tendering, contracts management and strategic supply management are conducted through the system.

6.2 capitalE sourcing is a self service hosted eSourcing system utilised across Tri-borough. Procurement processes have been standardised and the system provides a single, trusted source of procurement and spend information, supporting evidence-based decision-making and improved compliance monitoring.

6.3 To date there are 96 sourcing projects running on the capitalE sourcing system and in February there was a mass upload of existing contract information, and a total of 490 contracts are now recorded on the system. capitalE sourcing is the central repository for the Councils Contract Register.

6.4 Training of Contract Managers in capitalE sourcing was slower than anticipated. However, resources have been seconded from the current Purchase to Pay

(P2P) team to support this activity so that it is actively managed to ensure that contract records are updated.

6.5 A report was issued to the Strategic Executive Board in July 2014 to re-inforce the message that capitalEsourcing MUST be used for all procurement activity exceeding £10k, and that accurately maintaining the councils contracts register is a mandatory requirement. To achieve this contract managers were required to complete training.

6.6 High level milestones are being incorporated to the system allowing us to track and report performance against contracts in a consistent way. Contract Managers will be required to complete this information for each of their records on a regular basis. Standardised milestones will provide the toolset necessary for Contract Managers and Category Managers to monitor compliance and usage of the system.

7. Training

7.1 Fraud Awareness

The Tri-borough Head of Fraud, Audit, Insurance and Risk, is currently arranging a half day training course for all Strategic & Commercial Procurement staff to attend.

7.2 General

The team receive regular training on the EU Directives, Competitive Dialogue and some team members are studying for their CIPS qualification. An ongoing training programme ensures that all team members are kept up to date with procurement related legislation.

8. High profile contracts awarded in 2013/14

8.1 During 2013/14 a number of complex and high profile contracts were either awarded or the procurement activity commenced. These are summarised below.

8.2 **Provision of ICT services with BT Global Services.** Call-offs were made from Westminster ICT Framework Agreements for Distributed Computing, Service Desk and Data Centre Services. The Framework Agreements are in accordance with the latest thinking in the ICT market place. These Framework Agreements are structured to allow call-off of the whole service, discreet parts of the service and any combination of the discreet parts of the services. Westminster City Council looks set to save £1million and further savings are expected as other contracting authorities call down services.

- 8.3 **Parking award to NSL.** Westminster City Council has signed two major contracts with NSL for the provision of its parking services. The award of the two contracts marks a real transformation in the way that Westminster will assist citizens to find available parking. The implementation of the two contracts for “Business Processing & Technology” and “People and Resources” is going well and is expected to make significant cost savings for the Council. They are set to save £1.3million in year 1 and then £1.5m in year two between the two contracts.
- 8.4 **Customer Programme award to Agilisys.** The latest step of the Customer Led Transformation programme at Westminster has seen the award of call centre services and back-office to Agilisys Ltd. The market response to this opportunity was exceptional and resulted in the Council’s receipt of a number of excellent bids. The Council is pleased to have awarded the contract to Agilisys and looks forward to the successful implementation of the next generation of its call centre and back- office service provision. Phase one of this implementation completed successfully in July 2014. Savings of £6million are expected in avoidable contact by investing £1million in a digital self serve platform.
- 8.5 **Highways Programme.** Westminster City Council has awarded six key contracts for the management of its Highways and Transportation services. The contracts are linked to Framework Agreements that will allow other boroughs and authorities to call-off requisite services. We are currently implementing the contracts and are looking forward to availing ourselves of the savings, both revenue of £817,000 and capital between £10- £15 million over the life of the contracts.

There was a claim brought about by Murphys Ltd, an successful tenderer, but the claim has been dropped at an early stage and Murphys Ltd is reimbursing to the Council a significant part of the legal costs spent defending the claim. Murphys Ltd claimed that the winning supplier had offered an abnormally low tender but following further discussions, it was agreed that these claims are unsubstantiated. The robustness of the procurement process, including a benchmarking exercise at the beginning of the programme, and the benefit of capitalEsourcing provided a strong defence against the claims.

- 8.6 **Print Management.** Westminster City Council launched the OJEU (Official Journal of the European Union) notice 111125-2014 and Pre Qualification Questionnaire PQQ) for the provision of print and fulfilment services on its capitalEsourcing tendering portal on 28th March 2014. 19 London Boroughs have been named on the OJEU notice. The PQQ closed on 28th April 2014 and there has been a great response from the supplier market. The Council evaluated all the PQQs received and invited 8 suppliers to tender for Tri-borough print and fulfilment requirements. We received four very good responses to the Invitation to Tender and are currently evaluating them.

8.7 **Passenger Transport.** At the request of Councillor David Boothroyd, a review of the Westminster led Tri-borough procurement for Passenger Transport has been included in this report.

A competitive procurement exercise commenced on 20 Sep 2012 which fully complied with the Public Procurement Regulations 2006 (EU Directives). The first part of the process was devoted entirely (100%) to quality of service and no economic operator could be considered further if it did not pass this first stage. The second stage comprised of award criteria with a ratio of 30% technical capability and 70% price.

The Invitation to tender process was used to set up a framework agreement with suppliers who had demonstrated their capability of meeting our transportation requirements. We called off this Framework and awarded contracts to the most economically advantageous supplier. In order to ensure value for money to the three authorities, we organised the various destinations into bundles and the suppliers priced per bundle of work.

The original procurement proposed three lots; Lot 1a Mini Buses, Lot 1b Taxis, Lot 2 Transport Management and Lot 3 Mini Buses, Taxis and Transport Management combined. The competitiveness of proposals for Lot 2. Transport Management and Lot 3 Mini Buses, Taxis and Transport combined proved not to offer value for money. It was subsequently agreed that an in-house Transport Management provision would provide greater control as well as being more economically advantageous.

Healthcare and Transport Services (HATS) Ltd, Westway, CT+, Amey and Radio Taxis were included on the Tri-borough Framework Agreement, and minibus requirements were called off from HATS, CT+ and Westway and taxi requirements from HATS and Radio Taxis.

As is common practice, another Framework Agreement was also used to call-off those requirements where the suppliers on the Tri-borough Framework were not inclined to bid for various reasons. This other Framework Agreement had been created by the West London Alliance (WLA) and we added Star Bus, Impact and IHS to our list of Tri-borough suppliers from the WLA framework agreement.

Mobilisation of the contracts occurred on 21st April 2014. The Transport Commissioning Team (TCT) oversaw the operational go live of the new services. There were teething problems that were exacerbated by the Tube strike during the early stages of the contract. The total Tri-borough savings are approximately £3million over the course of the contract. The savings for Westminster City Council are £1.5million over the course of the contract.

Robust governance was in place throughout the procurement exercise, which included a Programme Board with Executive sponsorship and regular updates to

a Cabinet Sub Committee and Audit. Support was provided by the Strategic and Commercial Procurement team, Strategic Finance and subject matter experts.

9. Exceptional circumstances, Waivers and Emergencies

- 9.1 It is recognised that there are instances where the requirements of the Procurement Code cannot be precisely followed. For example, a procurement activity may be grant funded and a particular supplier has been named as a condition of that funding. This means that the Council has no influence over supplier selection, and if the total contract value exceeds £10,000 it is not possible to obtain competitive quotes. This is a defined circumstance, examples of which are included in the Procurement Code (E.g. a grant funded procurement activity) and Nominated Authorised Officers can seek agreement in writing from Strategic and Commercial Procurement that this is the case.
- 9.2 If there is no defined circumstance, a waiver of the Procurement Code must be sought from the Chief Procurement Officer. Sufficient justification must be provided in the form of responses to key questions set by Strategic and Commercial Procurement. If the contract value exceeds £1.5m (£300k for consultancy agreements) a Cabinet Member decision is required.
- 9.3 The Council has a “No Purchase Order No Pay Policy” which highlights areas of non compliance with both the Procurement Code and with the Policy itself, and on occasion a Purchase Requisition has been denied by the e-procurement administrator. The requisitioner is advised to contact Strategic and Commercial Procurement and it is recommended that they either:
- Obtain the requisite number of competitive quotes as set out in the Procurement Code;
 - Seek agreement that there is a defined circumstance as set out in the Procurement Code;
 - Seek approval for a waiver of the Procurement Code.
- This close link between Strategic Finance and Strategic and Commercial Procurement means that compliance with the Procurement Code and the “No Purchase Order No Pay Policy” can be enforced.
- 9.4 In 2011/12 there were 69 waivers of the Procurement Code, and in 2012/13 there were 64 (a reduction of 7%). In 2013/14 there has been a further reduction to 48 waivers (a reduction of 25%).

10. Contracts extended and/or varied in 2013/14

- 10.1 In 2012/13 there were 106 extensions and 23 variations. Appendix B gives an overview of the 66 extensions and 11 variations that were made to live contracts in 2013/14, which shows a significant reduction on the previous year. This section deals with some of the more significant extensions and variations in detail, and contains extracts from the reports which were approved.

10.2 A Tri-borough Contracts Approval Board (CAB) has been introduced to provide greater governance of Tri-borough services (such as Children’s Services). Service Directorates will be required to prepare a report which outlines their procurement approach at Gate 0 (an annual planning process). This will ensure that any recommendation to extend contracts is supported by a related procurement strategy that is understood up front.

Adult Social Care

10.3 A report sought approval to vary and extend contracts and funding arrangements with current one to one Professional Advocacy providers. The approval was sought in order to cover the tender and governance period for the award of four professional advocacy service contracts across the Tri-borough from 1 October 2014 for vulnerable adults, people with learning disabilities, people with mental health needs and dementia and Children and Young People. The Westminster extensions are set out in the table below and are marked with an asterisk in **Appendix B**.

	Provider	Westminster Contract	Cost of extension – 1 st April 2014 to 30 September 2014	Annual Value
1	The Advocacy Project	People with learning disabilities	£20,348	£40,696
2	POHWER	Older people and people with disabilities	£4,000	£8,000
3	The Advocacy Project	Older people	£13,050	£26,100
4	Advocate for Mental Health	Targeted mental health advocacy	£15,299	£30,597
		TOTAL	£52,697	£105,394

10.4 A report sought approval to vary and extend a number of contracts with voluntary sector organisations to enable seven strategic service reviews to be completed. The contract extensions and variations are **marked with a double asterisk in Appendix B**. Each review will require:

- A local needs and population assessment;

- A review of individual services and costs;
- Benchmarking with other council and CCG areas;
- Stakeholder engagement (users and carers, service providers, the wider care market, internal staff, colleagues in Clinical Commissioning groups, Public Health, corporate council officers as appropriate, HealthWatch, local forums etc);
- Co-design of new services with local stakeholders and residents (including carers) and/or model the best services across the Tri-borough area;
- A new service model single, Bi or Tri-borough.

10.5 Details of the seven strategic reviews:

Review	Borough	Local Residents	Who is involved	Possible Outcome/Products
Information and advice services	H&F and K&C (as WCC have already commissioned new services in 2013, however the review outcome may encourage service development)	All ASC users	ASC commissioning, ASC operational services, Corporate services, Public Health, CGGs, local organisations, older and disabled residents	A Tri-borough Strategy/Policy, procurement of services in K&C, discussions about service development in H&F and WCC with contracted providers. Link to Carers information and advice needs and services.
Prevention services (community based)	Tri-borough	Older People	ASC commissioning, ASC operational services, Corporate services, Public Health, CGGs, wider local organisations, older people and their carers	A Tri-borough Strategy/Policy, , procurement of services in K&C and WCC and service development in H&F.
Day Opportunities	Tri-borough	People with Learning Disabilities (LD) – moderate and lower level needs	ASC commissioning and CCGs, ASC operational services, providers, users, carers/parents	Support the local market to collaborate and develop services, Tri-borough Strategy/Policy and Tri-borough procurement. This work also sits alongside a larger piece of commissioning and procurement to investigate outsource options, with a timescale of 18 months to two years, hence the longer variation and extension requested.
Volunteering	Tri-borough (Strategy), K&C and WCC procurement	People with Learning Disabilities and mental health needs	ASC commissioning and CCGs, ASC operational services, providers, users, carers/parents, corporate services	A Tri-borough Strategy/Policy, procurement of services in K&C and WCC.
Dementia day services	Tri-borough	People living with Dementia	ASC commissioning and CCGs, ASC operational services,	A Tri-borough approach leading to the procurement and outsourcing of services.

			providers, users, carers	
Travel Mentoring	Tri-borough	Disabled people all ages and people with learning disabilities including young people	ASC commissioning, FCS Commissioning, Corporate Transport and TfL, ASC and FCS operational services	Service redesign, Tri-borough commissioning intentions and a procurement.
User Engagement	Tri-borough	People with learning disabilities, People with mental health needs or dual diagnosis	ASC commissioning and CCGs, ASC operational services, providers, users, carers	Tri-borough strategy, service redesign leading to procurement.

Serco

10.6 There were various extensions and variations to the contract with Serco which are summarised in the table below.

	Details	Cost
Variation	To use BT for the Tri-Borough IP Address Schema Design and Implementation Phase.	£281,000
Extension	SharePoint upgrade and migration.	£327,453
Extension	<p>Provision of Human Resources Services. The planning assumption for the Tri-borough Managed Services Provider Go-Live was that all three boroughs would go-live for Finance in April 2014 to coincide with the start of FY14/15. Based on plans and information from BT, and consultation with both HR and Finance, this appeared to be a higher risk approach for all three boroughs than was previously appreciated and it would unnecessarily compromise the overall quality of both the finance and HR system builds. It was therefore widely accepted that the originally intended implementation of HR and Payroll for WCC in November 2013 was not achievable. In order to plan revised dates to enable the launch of the service in a timely manner and at the lowest overall risk, an extension of existing HR services was approved.</p> <p>A further extension, for a period of 6 months to 3rd November 2014, was approved owing to delays in the implementation of the Managed Services Programme and to ensure continuity of service of the services.</p>	£2,395,981
Variation	Provision of wireless CCTV services primarily for parking and moving traffic enforcement and maintenance of CCTV equipment. Serco have, as part of the technology refresh, proposed a change in	

	third party support and maintenance provision from Telindus to Atec. The contractual requirement to upgrade the technology infrastructure associated with the Wireless CCTV Solution is now overdue. The Council is seeking approval to spend funds with Serco, and the new provider Atec, to undertake this programme of works.	
Extension	Passenger Transport Service (Children and Adults). The extension was to enable the current providers to deliver the service for another five months until new arrangements were agreed for the services and to enable officers to complete the competitive procurement process for Tri- borough Passenger Transport Services (Children and Adults) led by Westminster City Council's Strategic Procurement and Corporate Contracts team. The extensions were required to enable officers to complete mini competitions, to carry out due diligence and to have sufficient time to complete the implementation phase of the project.	£2,802,287
Extension	Provision of Ariba Buyer licences and hosting. The Managed Services framework agreement (delivering the Managed Services Programme (MSP)) was awarded to BT in January 2013 to reduce cost and streamline processes across the Councils. The planning assumption for the MSP Programme was that Go-Live would be 1st April 2014 to coincide with the start of FY 14/15. Based on the outcome of the readiness review on the 12th December 2013, and in conjunction with the latest programme plan, Go-Live was projected to be in September 2014. Consequently, there were a number of contracts which needed to be extended to avoid a gap in service prior to the new Go-Live date, of which the Ariba Buyer contract is one. Therefore an extension was sought for a period of 6 months to 31st December 2014 in order to ensure continuity of service to WCC users prior to the Go-Live date of the Managed Services Programme (MSP) at a value of £115,790.	£115,790

11. Overall Contractual Performance of 'Live' Contracts Over £150,000 during 2012/13

11.1 Nominated Authorised Officers were required to complete a standard monitoring and evaluation appraisal form for all contracts over £150,000 on a six monthly basis (as a minimum). Monitoring reports could be completed monthly, quarterly or other term basis, whatever was considered appropriate to the contract and its required outcomes.

11.2 Contractor performance is assessed using a four point category scoring system shown below:

4 = Performance was acceptable/good and in some areas exceeded the specified/expected level of performance;

- 3 = Performance was consistent and acceptable, i.e. at the specified/expected level of performance;
- 2 = Performance was acceptable but on occasion or in certain areas fell below the specified/expected levels of performance;
- 1 = Performance was unacceptable, i.e. below the specified/expected level in several areas of the contract.

11.3 This report highlights the performance of contracts worth more than £150,000. Further information on the contract reporting is provided in Appendix D.

11.4 All contractors achieved a score of 2 or above.

Contract Monitoring Improvements

11.5 Currently, it is the Nominated Authorised Officer (NAO) who is responsible for monitoring contract performance.

11.6 The contract monitoring forms are available on the Strategic and Commercial Procurement Sharepoint site allowing for easy access and in order to simplify the process. The Council standard terms and conditions incorporate the requirement for performance monitoring.

11.7 Collection and collation of the data has proven a time consuming exercise due to the devolved nature of this work. All contract monitoring and performance scoring going forward will be managed in capitalEsourcing. Contract and performance information for the 2015 Audit and Performance report will be provided from the new system.

11.8 A Tri-borough approach to Supplier Development (SD) is being developed. SD is a strategic approach for managing supplier that builds on the foundation of continuous improvement created by Category Management. It is about the alignment of goals, objectives and roadmaps in a way that is designed to deliver incremental value for both Tri-borough and its suppliers.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Della Main on 020 7641 5981; dmain@westminster.gov.uk

APPENDICES

APPENDIX A (i) – BREAKDOWN OF CONTRACTS AWARDED IN 2013/14

APPENDIX A – CONTRACTS AWARDED IN 2013/14 (UNDER £150k AND OVER £150k)

APPENDIX B – EXTENSIONS & VARIATIONS TO CONTRACTS

APPENDIX C –WAIVERS OF THE PROCUREMENT CODE

APPENDIX D – CONTRACTS OVER £150,000 IN VALUE - PERFORMANCE ASSESSMENTS 2013/14

APPENDIX B - Contracts extended or varied in 2013/14 in accordance with the Procurement Code

Title	Contract start date	Contract end date	Extension expiry date	Suppliers	Contract value or Extension/ Variation value	Nominated Authorised Officer	Strategic Executive Board member	Unit	Extension details	Variation details	Approval process for original award of contract and extension/variation.
Provision of support and maintenance of the fixed crime and disorder CCTV operation	01/07/08	31/03/13	31/03/15	Atec Security	900,000	Maddy Findlay	Leith Penny	Community Safety	The request for a two year extension will enable the Council to: (a) define and begin to embed an overarching CCTV strategy/policy; fit and appropriate to address the operational needs of City Management. To also define the requirements of a CCTV estate for city management activities; and (b) investigate potential sources of funding external to the Council. A fully EU procurement law compliant process will commence in March 2014 allowing about 11 months to undertake procurement tasks and award in early 2015. The large tri-borough ICT services procurement is due to finish in January 2014 and therefore this will make available the requisite procurement resource to properly carry out this task.		The current contract commencement date was 1st July 2008, for an initial period of 12 months; with discretion for the City Council to extend the contract period by any number of periods up to an aggregate of 45 months. The contract was awarded following a competitive tender process. Following the transfer of responsibility for the contract in July 2011 from Parking Services to Information Services, the contract was extended by Information Services for the maximum period and is due to expire on 31st March 2013.
Provision of Safe and Secure grants and Sanctuary grants. The Safe and Secure scheme provides basic security and fire safety devices to the homes of eligible applicants. The Sanctuary scheme provides heightened security measures to the homes of victims of domestic violence.	01/06/08	30/05/13	31/03/14	Mr. M.A. Matthews /a Westminster Maintenance Services	780,000	Jake Mathias	Ben Denton	Housing	The extension is to permit continuity of services whilst commissioners review Tri-Borough arrangements with a view to conducting a competitive procurement on a Tri-borough basis with a new contract expected to be in place from 1st April 2014.		The contract was awarded following a competitive tender process. The original contract was for a 3 year period with the provision to extend for a further 2 years, and the contract was extended.
Provision of Project Management Services	03/10/11	01/04/13	31/05/13	Cadence Partnership LLP	266,100	Eiise Lewis, Programme Manager	Charlie Parker	Customer Services	Project Athena is still to be completed and it is important to maintain continuity on the project until its completion. An extension to the contract is therefore being recommended in order to provide continued project management services.		The original contract value was £120,600 for the period 3rd October 2011 to 2nd July 2012. A waiver of the Procurement Code was approved so that three specialist organisations could be contacted directly rather than using CompeteFor. The contract was extended until 31st Dec 2012 at a cost of £80,400. The contract was extended until 31st March 2013 at a cost of £39,060.
Change request 3239 to the Serco contract in order to use BT for Tri-Borough IP Address Schema Design and Implementation Phase				Serco/BT	281,000	Ben Goward, CIO (Interim)	Charlie Parker	Information Services		The optimum approach is to implement a change request to the Serco contract, so that BT can be used. It is not possible to engage an external provider because of the legacy information Systems. It was noted that Sharpe Pritchard assessed the risk of challenge given that there is no choice of supplier, and agreed that the risk is low. Costs to be apportioned: WCC £281k LBHF £281k RBKC £188k.	
SharePoint upgrade and migration		01/10/13	03/11/14	Serco	327,453	Kevin Rainsbury	Charlie Parker	Information Services	CR3240 - The current sharepoint 2007 environment was established in support of business intelligence over 5 years ago. However, sharepoint has been adopted more widely than anticipated and a Change Request to the contract with Serco is proposed to set up additional servers to accompany the already in existence SharePoint 2010 environment which was set up at the end of last year, and the migration of content from the current 2007 environment to the new 2010 one.		
Provision of Human Resources services		03/11/13	03/05/14	Serco	1,232,746	Delmarie Scheepers	Charlie Parker	Customer Services	Change Request. The planning assumption for Tri-Borough Managed Services Provider Go-Live has long been that all three boroughs would go-live for Finance in April 2014 to coincide with the start of FY14/15. Based on recently received plans and information from BT, and consultation with both HR and Finance, this now appears to be a higher risk approach for all three boroughs than was previously appreciated. It is believed it would unnecessarily compromise the overall quality of both the finance and HR system builds, particularly as this is to deliver a service based on an ERP as opposed to delivering two separate systems under the Councils' direct control, and allowing for delays which may be incurred as a result of Standard Build testing prior to July 2013. It is therefore widely accepted that the originally intended implementation of HR and Payroll for WCC in November 2013 is not achievable. It is now necessary, therefore, to plan revised dates to enable the launch of the service in a timely manner and at the lowest overall risk.		In June 2012, Westminster and the CSI provider agreed to extend the HR element of the CSI contract for an additional period of 12 months from the Original Expiry Date of 3rd November 2012. The Deed of Variation capturing this extension also entitles (but without any obligation) Westminster to further extend the contract period for HR services beyond the HR service initial extension period. HR additional extension periods must be of not less than three months per period. The total extension period from the Original Expiry Date (including the initial 12 month extension period and any subsequent Additional Extension Periods) may not exceed a total maximum extension period of two years from the original expiry date of 3rd November 2012, ie 3rd November 2014. Westminster has to provide written notice to the CSI provider three months prior to the expiry of the contract period if an extension is required.
Provision of wireless CCTV services primarily for parking and moving traffic enforcement and maintenance of CCTV equipment				Serco		Maddy Findlay	Leith Penny	Community Safety		Serco have as part of the technology refresh proposed a change in third party support and maintenance provision from Telindus to Atec. The contractual requirement to upgrade the technology infrastructure associated with the Wireless CCTV Solution is now overdue. The Council is seeking approval to spend funds with Serco, and the new provider Atec, to undertake this programme of works.	
Passenger Transport Service (Children and Adults)		03/08/13	31/12/13	Serco	1,002,421	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The decision to grant an extension for the contract will enable the current providers to deliver the service for another five months until new arrangements have been agreed for the services and enable officers to complete the competitive procurement process for Tri-borough Passenger Transport Services (Children and Adults) led by Westminster City Council's Strategic Procurement and Corporate Contracts team. The extensions are required to enable officers to complete mini competitions, to carry out due diligence and to have sufficient time to complete the implementation phase of the project.		
Passenger Transport Service (Children and Adults)		01/01/14	24/04/14	Serco	1,799,866	Suzie Shardow, Transport Category Manager	Charlie Parker	Corporate Services	The decision to grant an extension for the Serco contract is to deliver the service for a further 17 weeks (to the 24th April 2014) allowing sufficient time for new arrangements to be finalised for this service and to enable completion of the competitive procurement process for Tri-borough Passenger Transport Services (Children's and Adults').		

APPENDIX B - Contracts extended or varied in 2013/14 in accordance with the Procurement Code

Title	Contract start date	Contract end date	Extension expiry date	Suppliers	Contract value or Extension/ Variation value	Nominated Authorised Officer	Strategic Executive Board member	Unit	Extension details	Variation details	Approval process for original award of contract and extension/variation.
Provision of HR Services		03/05/14	03/11/14	Serco	1,163,235	Helen Rogers, Commercial Contracts Manager	Charlie Parker	Corporate Services	Extension of the HR Services currently managed and delivered through the Serco CSi Services contract for a period of 6 months to 3rd November 2014 owing to delays in the implementation of the Managed Services Programme and to ensure continuity of service of the services. The cost for the 6 month period is £1,163,235.		In the previous extension paper of June 2013 (extending the service from 4th November 2013 to 3rd May 2014, it was agreed (as is outlined in the Statement of Decision of 18th July 2013) that the Chief Executive be delegated to approve any additional extension beyond 3rd May 2014 if that becomes necessary because of delays or slippage in the implementation of the HR Managed Service solution. Consequently, the extension request will be submitted to Charlie Parker, CEO of Westminster City Council for approval.
Provision of Ariba Buyer licences and hosting		01/07/14	31/12/14	Serco	115,790	Helen Rogers, Commercial Contracts Manager	Charlie Parker	Corporate Services	The Managed Services framework agreement (delivering the Managed Services Programme (MSP)) was awarded to BT in January 2013 to reduce cost and streamline processes across the Councils. The planning assumption for the MSP Programme was that Go-Live would be 1st April 2014 to coincide with the start of FY 14/15. Based on the outcome of the readiness review on the 12th December 2013, and in conjunction with the latest programme plan, Go-Live is now projected to be in September 2014. Consequently, there are a number of contracts which will need to be extended to avoid a gap in service prior to the new Go-Live date, of which the Ariba Buyer contract is one. Therefore an extension is sought for a period of 6 months to 31st December 2014 in order to ensure continuity of service to WCC users prior to the Go-Live date of the Managed Services Programme (MSP) at a value of £115,790.		
Provision of Legal Services	01/04/05	01/04/13	31/03/14	Sharpe Pritchard	740,000	Richard Hampson, Head of Category Management	Charlie Parker	Legal Services	Extension of 12 months to the contract with Sharpe Pritchard for provision of Legal Services for procurement, contract formation and advice and routine conveyancing, for the period 1st April 2013 until 31st March 2014 (12 months). Procurement and contract formation and advice will be provided under a block contract for the sum of £370,000. Routine conveyancing, and competitive dialogue (e.g. TFM procurement) will fall outside of the block contract and the annual cost of this spend is estimated at £225,000 (based on spend for 2012/13). This spend includes legal fees for Bi-Borough and Tri-Borough procurement projects will be apportioned and charged to each Council.		
Provision of Legal Services	01/04/05	31/03/14	01/04/15	Sharpe Pritchard		Peter Large, Head of Legal and Democratic Services	Charlie Parker	Legal Services	Following discussion of the options available, an agreement was made to extend the current contract with Sharpe Pritchard for up to one year (from 1 Apr 14) with break clauses at 3 month intervals, as set out in the existing T&C's. There are valid reasons to extend, given that a Tri Borough decision around provision of legal services is awaited and Sharpe Pritchard have agreed to hold their rates for 12 months which provides the City Council with value for money.		The original contract to Sharpe Pritchard was awarded on a 5 year basis from the 1st April 2005 with the option to extend for a further two years. The option to extend was exercised and the original contract therefore expired on 31st March 2012. Since then further 1 year extensions were granted for the years 2013 and 2014 despite there not being a legal provision within the original contract. The latest 1 year extension is set to expire on the 31st March 2014.
Stop Smoking (Quits & Prevention) service		11/10/13	31/12/13	Central London Community Healthcare		Christine Mead, Public Health Commissioner	Public Health	Public Health	Extend the contract for 79 days up until the 31st of December 2013 so that a new contract can start on the 1st of January 2014. There is inadequate time to complete and mobilise a compliant Tri-B tender process with TUPE implications before the current contracts expire.		
Provision of Interim Programme Management Services for the Tri Borough Managed Services programme for two personnel, Peter Main and Elaine Griffin.	08/03/13	04/06/13	03/09/13	Alpine Resourcing Ltd	164,400	Tim Stranack, Programme Manager	Charlie Parker	Managed Services	Extension of the contract with Alpine Resourcing Ltd for the provision of Interim Programme Management Services for two personnel, Peter Main, for the period 7th May to 4th August 2013; and Elaine Griffin, for the period 4th June to 3rd September 2013, in the sum of £44,400 and £31,200 respectively. The total cost of the extension is £75,600		A waiver of the Procurement Code was approved by the Chief Procurement Officer on 8 Mar 13 so that a contract could be awarded to Alpine Resourcing Ltd without the requirement to invite a minimum of 3 bidders to submit tenders. The waiver was approved subject to the consultants being transferred to the Managed Services contract for Temporary Agency Contractors which was awaiting Member sign off. The intention was to transfer the consultants engaged through Alpine to the Managed Services temporary agency contract with Comensura. However, this has not yet happened and the Alpine contract needs to be extended until the transfer can take place. The Chief Operating Officer interviewed prospective candidates and three consultants were chosen.
CCTV Operation Staffing Contract for the fixed CCTV system	01/10/08	30/06/13	31/08/13	Securitas Security Personnel Ltd (formerly Chubb)	510,708	Paula Sammon, Contracts and Budget Monitoring Officer - Street Management	Leith Penny	Community Safety	There is no provision under the original contract for a further extension beyond 30 June 2013, however, it will not be possible to complete the tender process by 30 June 2013 when the current contract ends. Therefore, a two month extension (with a break clause after one month) is recommended. During the tender evaluation process it transpired that it was not possible to evaluate the pricing element of the ITT on a like for like basis because of TUPE. Therefore in order to evaluate all tenders on a like for like basis some changes have had to be made to the service specification and pricing model. Furthermore, due to the standstill period and the possible requirement of a TUPE transfer process should the incumbent supplier be unsuccessful, it will not be possible to complete the tender process in time for the new contract to commence on 1 July 2013.		This contract originally commenced on 1 October 2008 and ran for an initial period of 12 months. The City Council had discretion to extend the contract by any number of periods, up to an aggregate total of 45 months, with the requirement that written notification was served to the contractor not less than 3 months before expiry of the contract period. On 22 November 2012 the Gate Review Panel agreed to extend the CCTV Operation Staffing Contract to 30 June 2013 (as allowed for in the contract) to allow more time for the City Council to conduct a competitive and effective procurement process for the new contract starting on 1 July 2013. The re-let of the contract was advertised on 8 February 2013 with a deadline for return of PQQ's by 11 March 2012. Following the evaluation of the submitted PQQ's, ITT's were issued on 28 March and the tender evaluations commenced on the 29 April 2013.
Provision of Printing and High Volume Reprographics for Corporate Building and Associated Premises	01/09/10	01/09/13	31/08/14	Servicepoint	3,200,000	Freya Wenham, Category Manager (Interim)	Charlie Parker	Corporate Services	It is recommended that the option to extend for year 4 of the contract is agreed to provide sufficient timescales to re-tender the majority of print requirements in scope across the council in 2014.		A contract notice was placed in the Official Journal of the European Union (OJEU) on 24th November 2009, on the Westminster City Council's supplier Database system "CompeteFor" and in the trade publication Print Weekly. The tender was advertised in OJEU under the restricted procedure process.
Delivery of Play and Childcare services in North Westminster for children and young people aged 5-11 years	01/04/11	01/04/13	31/03/14	St John's Wood Adventure Playground	123,000	Vikki Wilkinson, Commissioning Manager	Andrew Christie	Children's Services	A contract extension will enable the supplier to achieve a self-sustaining service by April 2014 that continues to offer Play services to the children and young people in the North of Westminster at zero cost to the Council.		

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General Passenger Taxi Service for Council staff		03/08/13	31/12/13	Addison Lee	14,113	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The decision to grant an extension for the contract will enable the current providers to deliver the service for another five months until new arrangements have been agreed for the services and enable officers to complete the competitive procurement process for Tri- borough Passenger Transport Services (Children and Adults) led by Westminster City Council's Strategic Procurement and Corporate Contracts team. The extensions are required to enable officers to complete mini competitions, to carry out due diligence and to have sufficient time to complete the implementation phase of the project.		
General Passenger Taxi Service for Council staff		01/01/14	24/04/14	Addison Lee	24,462	Suzie Shardow, Transport Category Manager	Charlie Parker	Corporate Services	The decision to grant an extension for the Serco contract (and those where the administration is handled under the Serco contract) is to deliver the service for a further 17 weeks (to the 24th April 2014) allowing sufficient time for new arrangements to be finalised for this service and to enable completion of the competitive procurement process for Tri- borough Passenger Transport Services (Children's and Adults').		
Passenger Transport Service (Children and Adults)		03/08/13	31/12/13	Radio Taxi	484,000	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The decision to grant an extension for the contract will enable the current providers to deliver the service for another five months until new arrangements have been agreed for the services and enable officers to complete the competitive procurement process for Tri- borough Passenger Transport Services (Children and Adults) led by Westminster City Council's Strategic Procurement and Corporate Contracts team. The extensions are required to enable officers to complete mini competitions, to carry out due diligence and to have sufficient time to complete the implementation phase of the project.		
Passenger Transport Service (Children and Adults)		01/01/14	24/04/14	Radio Taxi	876,000	Suzie Shardow, Transport Category Manager	Charlie Parker	Corporate Services	The decision to grant an extension for the Serco contract (and those where the administration is handled under the Serco contract) is to deliver the service for a further 17 weeks (to the 24th April 2014) allowing sufficient time for new arrangements to be finalised for this service and to enable completion of the competitive procurement process for Tri- borough Passenger Transport Services (Children's and Adults').		
Provision of Transport and Maintenance of the Council vehicles (package 2: Commercial vehicles SEN mini buses)		03/08/13	31/12/13	London Hire Limited	171,383	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The decision to grant an extension for the contract will enable the current providers to deliver the service for another five months until new arrangements have been agreed for the services and enable officers to complete the competitive procurement process for Tri- borough Passenger Transport Services (Children and Adults) led by Westminster City Council's Strategic Procurement and Corporate Contracts team. The extensions are required to enable officers to complete mini competitions, to carry out due diligence and to have sufficient time to complete the implementation phase of the project.		
Provision of Transport and Maintenance of the Council vehicles (package 2: Commercial vehicles mini vans)		03/08/13	31/07/14	London Hire Limited	200,936	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The extensions are recommended to enable current providers to deliver the service and for officers to undertake a competitive procurement process. It is estimated this procurement will take twelve months, as the estimated contract value requires an OJEU tender process to be undertaken and the Council will also need to allow for a 3 months mobilisation and transition to the new service contract. Therefore, a twelve months extension to the current service provision is requested. The extensions are required to enable officers to undertake a Category Management Review of fleets within the City Council in order to make informed decisions about future strategies for procuring fleet management services.		
Provision of Transport and Maintenance of the Council vehicles (package 2: Commercial vehicles SEN mini buses)		01/01/14	24/04/14	London Hire Limited	344,251	Suzie Shardow, Transport Category Manager	Charlie Parker	Corporate Services	The decision to grant an extension for the Serco contract (and those where the administration is handled under the Serco contract) is to deliver the service for a further 17 weeks (to the 24th April 2014) allowing sufficient time for new arrangements to be finalised for this service and to enable completion of the competitive procurement process for Tri- borough Passenger Transport Services (Children's and Adults').		
Provision of Transport and Maintenance of the Council vehicles (package 1: Leased cars)		03/08/13	31/07/14	Automotive Leasing Limited	99,576	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The extensions are recommended to enable current providers to deliver the service and for officers to undertake a competitive procurement process. It is estimated this procurement will take twelve months, as the estimated contract value requires an OJEU tender process to be undertaken and the Council will also need to allow for a 3 months mobilisation and transition to the new service contract. Therefore, a twelve months extension to the current service provision is requested. The extensions are required to enable officers to undertake a Category Management Review of fleets within the City Council in order to make informed decisions about future strategies for procuring fleet management services.		

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Provision of Transport and Maintenance of the Council vehicles (package 1: Leased cars)		03/08/13	31/07/14	Ogilvie Fleet Limited	17,496	Richard Hampson, Head of Category Management	Charlie Parker	Customer Services	The extensions are recommended to enable current providers to deliver the service and for officers to undertake a competitive procurement process. It is estimated this procurement will take twelve months, as the estimated contract value requires an OJEU tender process to be undertaken and the Council will also need to allow for a 3 months mobilisation and transition to the new service contract. Therefore, a twelve months extension to the current service provision is requested. The extensions are required to enable officers to undertake a Category Management Review of fleets within the City Council in order to make informed decisions about future strategies for procuring fleet management services.		
Provision of the Council's Internal Audit and Counter Fraud Service.		31/03/14	31/03/15	RSM Tenon (Ltd)	1,193,221	Sevim Arabaci, Interim Audit Manager	Charlie Parker	Corporate Services	One year extension of the Council's existing contract with RSM Tenon Ltd from 1 Apr 14 to 31 Mar 15 for £1,088,188 to allow for the implementation of Single Fraud Investigation Service (SFIS) and therefore to allow for clarification of future local authority service requirements. SFIS is due to be phased in between April 2013 – March 2015, which will overlap with the expiry of the Council's contract for internal audit and counter fraud services which expires on 31 March 2014.	Variation of the contract by £105,033 for the period 1 Apr 13 to 31 Mar 15 to accommodate additional assurance and counter fraud activity. A two-year grant for 2013-2015 secured from DCLG will enable RSM to undertake additional proactive fraud work within Housing during 2013/14, and 2014/15 where the contract is extended.	
Payment of on-street casual parking charges	18/01/08	17/01/13	17/01/14	PayByPhone (formerly Verrus UK)		Sara Sutton, Service Delivery Manager – Parking Services	Leith Penny	Parking	Three options for the pay by phone service strategy were presented to Gate on 12 April 2012, these were: 1. A new procurement led by the City Council 2. Participating in the procurement of framework contract led by the Borough of Lambeth 3. Extend the current Pay by Phone Contract A decision to proceed with Option 2 was taken based on the fact that the Lambeth Framework would at least match the current requirements and the planned award timescales met with the current contract expiry dates. However, the Lambeth procurement has been subject to significant delay; it originally anticipated an award of Contract in July, but this is now not likely to be until February 2013. As these timescales no longer fit with the current contract expiry, Officers have had to explore alternative options. The purpose of this report is to seek an extension to the current Contract with PaybyPhone, in order to provide continuity of service until a new solution is procured. The extension to the current Contract is anticipated to be £1.628m and is covered within the existing budget. The potential savings associated with the re-let of the service could be up to £163k.		
Provision of pay by phone parking services	18/01/08	18/01/14	17/01/15	PayByPhone	13,613,000	Sara Sutton, Service Delivery Manager - Parking Services	Leith Penny	Parking	An extension to the current Contract with PaybyPhone for up to one year is being sought to align with the Council's procurement of a new Business Processing and Technology contract, which will incorporate delivery of a new 'pay to park' solution.		The current Contract was awarded to PayByPhone (formerly Verrus UK) in January 2008 on a five year term, was extended in January 2013 and is due to expire in January 2014; an option to extend for up to a further year is available. The existing contract has been the subject of a number of legal or quasi-legal challenges since it was originally let. Against that background, and given the findings of an Audit carried out in June 2012, it is relevant to consider whether the proposed extension could be the subject of any successful legal challenge. It is not unlawful to extend the contract, so risk of challenge can be mitigated.
Leisure centre management services - Paddington Recreation Ground		31/08/14	30/06/16	GLL (Greenwich Leisure Limited)		Kevan Twohy, Category Manager - Public Health	Leith Penny	Sport and Leisure	Extension of contract period by 22 months. Total value of extension – (money out) £1,221,356		
Leisure centre management services - Marshall Street Leisure Centre; Queen Mother Sports Centre and Jubilee Leisure Centre		31/08/14	30/06/16	GLL (Greenwich Leisure Limited)		Kevan Twohy, Category Manager - Public Health	Leith Penny	Sport and Leisure	Extension of contract period by 22 months.	Vary the contract by inserting a clause to facilitate the potential early closure of the Jubilee Leisure Centre and change the gain share arrangements (not the contract fee). Total value of the variation will depend upon when the Jubilee LC closes; if the facility remains open for 1 month the extension period the value of the variation will be an income (money in) of £845,580, if the facility remains open throughout the 22 month period the value of the variation will be an income (money in) of £283,997.	
Provision of Custodian Services for the City of Westminster Superannuation Fund		01/04/13	30/06/14	BNY Mellon		Jonathan Hunt, Director of Corporate Finance & Investment	Charlie Parker	Strategic Finance	BNY Mellon is happy to extend the current terms, pending a formal procurement process in the Autumn. This procurement process will use a framework that is currently being developed by the National LGPS Frameworks team. The proposed extension with BNY Mellon will continue with the current termination notice period of one month.		The current contract with BNY Mellon was let under an OJEU tendering process in March 2006 for a five year period with a two-year extension. That extension has already been exercised and the contract lapsed in March 2013.
Provision of handyperson service to vulnerable and older residents of Westminster	01/04/09	31/10/13	01/10/14	Walterton & Elgin Community Homes	486,000		Liz Bruce	Adult Social Care	A contract extension of 3 months for the WECH is required to ensure that there is a continuity of service until a new contract is put in place by 1st February 2014.		The service is delivered in-house by the Council through the Westminster Home Improvement Agency located in Premises Management. The management, administration and promotion of the service is carried out by in-house staff and the provision of handyperson personnel, transport, tools and materials is outsourced to a local housing charity named Walterton and Elgin Community Homes (WECH). This service was quickly established in response to an opportunity to bid for a central government grant in 2009. The contracted-out element was not competitively tendered in 2009 because there was insufficient time to do so. Initially the service was delivered under a Memorandum of Understanding. Latterly, a formal contract between the Council and WECH has been established and this expires on the 31st December 2012.

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Provision of handyperson service to vulnerable and older residents of Westminster		31/12/13	01/10/14	Staying First			Liz Bruce	Adult Social Care	A contract extension of 4 months for Staying First is required to ensure that there is a continuity of service until a new contract is put in place by 1st February 2014.		The service delivered by Staying First is part of the Shepherds Bush Housing Group. It was established in the 1990s and was originally and continues to be, wholly funded by the local health service – in recent years this has been NHS Westminster. It is managed by council officers via a s.75 National Health Services Act 2006 agreement. The service assists elderly and disabled residents residing in any tenure within Westminster. It levies a small charge for its services. This is considerably below the market price. The contract expired on the 31st March 2012 and is being extended on a quarter-by-quarter basis with the intention of finally ending the contract on the 31st March 2013.
Telephony services				Ericsson		Linda Fendt, Policy Officer	Charlie Parker	Corporate Services		These services include provision of an IVR platform to route calls to an appropriate person in the Council or Call Centre, or to provide transactional capability (for example, to pay bills). This briefing note seeks approval to: a) vary the existing contract to enable the purchase and installation of hardware to increase the existing capacity to meet WCC's future needs; and, b) Commission training from Ericsson on the IVR platform. The cost to provide additional capacity is £38,546. This includes all costs to implement the uplift in capacity and customise the platform to include routing of Parking Services. Annual support costs of £5,821 will be incurred and funded by the IS Team. All costs are subject to site survey. Training will be provided for up to six staff members and will cost £3,650.	
Asbestos Analytical Services		01/04/14	30/06/14	Tersus Consultancy Ltd		Terry Clark – Property Service Manager	Ben Denton	City West Homes	The contract is being re-let with a start date of 1st April 2014. The initial PIN notice was sent out on 17 April 2013. Due to changes in the Asbestos Regulations and development of the form of contract that will be used, it is considered that there will not be sufficient time to procure this by April 2014. Also, there is an opportunity to explore any Tri-borough implications and any other frameworks that could be utilised. Extending the current contract will take into account any delays that may occur.		The contract was EU procured and the award was approved by the then Contracts board and the Cabinet Member for Housing in January 2009.
Covent Garden Guardian Service	01/11/13	31/10/14		Capco CG 2010 Limited		Paula Sammon, Street Management Development Officer	Leith Penny	Community Safety		Variation of the contract with Capco CG 2010 Limited for the Council to provide two city guardians within the Covent Garden area for the sum of £116,438. There are no cost implications to WCC, Capco CG 2010 Limited are providing full funding which will cover all costs.	
Provision of the Council's Housing Benefit and Council Tax Support Service	31/10/98	01/11/15	31/10/17	Capita Business Services Ltd		Martin Hinkley, Head of Shared Service Centre	Charlie Parker	Strategic Finance			The Council awarded the current Benefits service contract to Capita Business Services Ltd following a competitive tender exercise in 1998. The contract was for a 10 year period, but was subsequently extended again to make it co-terminus with the Revenues Services contract (31 October 2015).
Debt Collection	01/12/07	01/12/13	30/11/14	Judge & Priestly	1,017,743	Susan Bush, Contracts Manager	Charlie Parker	Strategic Finance	The extension of this contract will provide value for money legal services throughout 2014 whilst allowing time for key decisions to be made in setting the tri-borough operational strategy for the Legal category. Proposals for a Tri-borough Corporate Services Department are currently being considered, with a view to the simplification and rationalisation of corporate services arrangements across the three boroughs. Those proposals are scheduled to be reported to and signed off by the three Cabinets in December, for implementation in the course of next year.		The contract was initially won as a result of a competitive process. Legal Services are a part B service within the Public Contracts Regulations and are subject to obligations such as transparency, equal treatment and non discrimination. The tender was advertised in the Law Society Gazette, the Lawyer and the Times in February 2007. 95 firms requested further information and 26 Expressions of Interest (EOIs) were submitted. 9 shortlisted firms were invited to submit a tender and 6 Tender Responses were subsequently received.
Possession Cases and other Property Matters	01/12/07	01/12/13	30/11/14	Devonshires	2,171,592	Susan Bush, Contracts Manager	Charlie Parker	Strategic Finance	The extension of this contract will provide value for money legal services throughout 2014 whilst allowing time for key decisions to be made in setting the tri-borough operational strategy for the Legal category. Proposals for a Tri-borough Corporate Services Department are currently being considered, with a view to the simplification and rationalisation of corporate services arrangements across the three boroughs. Those proposals are scheduled to be reported to and signed off by the three Cabinets in December, for implementation in the course of next year.		The contract was initially won as a result of a competitive process. Legal Services are a part B service within the Public Contracts Regulations and are subject to obligations such as transparency, equal treatment and non discrimination. The tender was advertised in the Law Society Gazette, the Lawyer and the Times in February 2007. 95 firms requested further information and 26 Expressions of Interest (EOIs) were submitted. 9 shortlisted firms were invited to submit a tender and 6 Tender Responses were subsequently received.
Routine Civil Litigation	01/12/07	01/12/13	30/11/14	Steeles	278,892	Susan Bush, Contracts Manager	Charlie Parker	Strategic Finance	The extension of this contract will provide value for money legal services throughout 2014 whilst allowing time for key decisions to be made in setting the tri-borough operational strategy for the Legal category. Proposals for a Tri-borough Corporate Services Department are currently being considered, with a view to the simplification and rationalisation of corporate services arrangements across the three boroughs. Those proposals are scheduled to be reported to and signed off by the three Cabinets in December, for implementation in the course of next year.		The contract was initially won as a result of a competitive process. Legal Services are a part B service within the Public Contracts Regulations and are subject to obligations such as transparency, equal treatment and non discrimination. The tender was advertised in the Law Society Gazette, the Lawyer and the Times in February 2007. 95 firms requested further information and 26 Expressions of Interest (EOIs) were submitted. 9 shortlisted firms were invited to submit a tender and 6 Tender Responses were subsequently received.
Services related to the Highways procurement exercise	28/02/13	31/10/13	31/12/13	Norman Rourke Pryme Ltd	195,250	Dawn Donaldson, Contracts and Performance Manager	Rosemarie MacQueen	Highways and Transportation	Norman Rourke Pryme are a quantity surveying consultancy and have been working with the Council to devise elements of the tender pack (method of measure, specification, payment mechanism, pricing document & health and safety evaluations). They are also involved in helping the Council evaluate the pricing element of the tender and will prepare additional financial information on the competitiveness of the eventual winning bid. There have been issues with the returned tenders that require revised pricing submissions from bidders. Norman Rourke Pryme are best placed to undertake additional work in October, November and December to help complete the procurement with minimum disruption to the original procurement timetable, for reasons of confidentiality, expedience and to enable the Council to make full use of their accumulated project knowledge.		Norman Rourke Pryme completed a piece of work for the Highways & Transportation re-let on the competitiveness of the LoHac framework contract using a supplied basket of works from the Council. On the back of the excellent report they produced, WCC wanted to use them to evaluate the 'Method of Measure', 'Highways Specification' and the 'Payment Mechanism' being proposed for use in the new contracts. This work is highly confidential and it is not considered appropriate to source 3 quotes for the market for this piece of work for fear of the proposed approach becoming more widely known. Therefore, it is proposed to use a trusted supplier that is already familiar with elements of this project. A waiver of the Procurement Code was sought and approved on 27 Feb 2013.

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Provision of CCTV Enforcement	01/07/10	30/06/14	30/06/16	NSL Ltd	2,532,807	Sara Sutton, Service Delivery Manager	Leith Penny	Parking	Parking Services procured two new parking contracts: A People and Resources management contract to begin in July 2014 and a Business Processing and Technology contract to commence in November 2014. As part of this procurement strategy, the provision and operation of CCTV enforcement will move from the on-street People and Resources service provider to the back-office Business Processing service provider. This strategy will mean however that without extending NSL's contract, there would be a period of time where no contract will be in place for the capture and review of contraventions for the purpose of CCTV enforcement. Therefore, it was recommended that the contract was extended, in line with the provision to do so.		The existing contract with NSL Limited for the capture and review of CCTV parking and moving traffic contraventions commenced on 1 July 2010 and is due to expire in June 2014. There is a provision within the contract to extend for a period of up to two years.
Provision of a private rented sector accommodation service for rough sleepers	01/04/12	01/04/14	31/03/15	Hope Worldwide	234,101	Victoria Aseervatham (Deputy Head of Rough Sleeping)	Ben Denton	Housing	The rough sleeping accommodation pathway is due to be reviewed in early 2014 and the extension of these contracts to 31 March 2015 will coordinate well with this time table, allowing future commissioning to be based on an up to date picture of demand from the hostel and supported housing providers. The outreach services are currently being re tendered with the new contracts in place for 1 April 2014 and the new configuration of services will make estimates of need for this PRS service direct from the street, far more streamlined and accurate. The extension will also allow preliminary discussions on tri-borough commissioning options to be fully explored. For these three reasons the contract extension, rather than a fresh tender at this stage, is recommended by officers.		The contract was won on a competitive basis in 2012 with the contracts commencing on 1 April 2012. The contract was awarded for 2 years, from 1st April 2012 without the provision to extend. There were two bidders and Hope Worldwide scored significantly higher on all aspects of the evaluation criteria.
Supporting Disabled People including those with sensory impairments (hearing loss, registered deaf or with hearing loss, sight loss or registered blind)	01/02/12	01/04/14	30/06/14	Hammersmith and Fulham Action Disability	11,977	Pete McDonnell, Senior Commissioner (Community)	Liz Bruce	Adult Social Care	This contract will need extending for three months from 1 April 2014 to 30 June 2014 to enable the procurement and governance timescales to be met for a Tri-borough Framework to deliver these services from 1 July 2014 for a period of four years		A procurement exercise was undertaken in 2011 and HAFAD in Hammersmith were the successful bidder. A contract was awarded in February 2012 until 30 November of the same year as a pilot project, which was extended until April 2014 to align this with the end of the K&C contract, to enable a Tri or Bi-borough tender.
Provision of Rape Crisis Service	01/12/10	01/09/13	28/02/14	Solace Women's Aid	1,139,597	Adam Taylor, Commissioning Manager – Community Safety	Leith Penny	Community Safety		Variation to the contract with Solace Women's Aid for provision of Rape Crisis Service to enable provision of additional sessions of outreach support, commencing 1st September 2013 for a period of 6-months in the additional sum of £ 35,501 (Westminster's share of which would be £ 4,643)	Following a competitive tendering process led by the London Borough of Islington and Westminster City Council the evaluation panel recommended the award of a contract of £349,000 to Solace Women's Aid to deliver the Rape Crisis Centre in the North London quadrant. The service commenced in December 2010. The North London quadrant consists of seven boroughs – Westminster, Royal Borough of Kensington and Chelsea, Enfield, Islington, Haringey, Camden and Barnet. A partnership agreement is in place that governs the relationship between the boroughs and sets out the principles of cost sharing.
Provision of Building Based Intervention Services for Rough Sleepers and Homeless Criminal Justice and Anti Social Behaviour Services	01/04/11	31/03/14	30/06/14	The Connection St Martin	120,050	David Eastwood, Commissioning Manager	Ben Denton	Housing	To extend the current Rough sleepers outreach services for an additional 3 months to allow for completion of tender exercise. Due to a number of factors the current timetable for the tender is becoming unworkable. This approach has been endorsed by Cllr Robathan as the cabinet member responsible for this area as well as Ben Denton as the Director of Housing, Regeneration and Corporate Property.		The current contracts were let through a selective tender exercise and awarded by the strategic Director of Adult and Community Services to commence on 1st April 2011 for a period of 3 years
Provision of Building Based Intervention Services for Rough Sleepers and Homeless Criminal Justice and Anti Social Behaviour Services	01/04/11	31/03/14	30/06/14	The Passage	90,975	David Eastwood, Commissioning Manager	Ben Denton	Housing	To extend the current Rough sleepers outreach services for an additional 3 months to allow for completion of tender exercise. Due to a number of factors the current timetable for the tender is becoming unworkable. This approach has been endorsed by Cllr Robathan as the cabinet member responsible for this area as well as Ben Denton as the Director of Housing, Regeneration and Corporate Property.		The current contracts were let through a selective tender exercise and awarded by the strategic Director of Adult and Community Services to commence on 1st April 2011 for a period of 3 years
Provision of Building Based Intervention Services for Rough Sleepers and Homeless Criminal Justice and Anti Social Behaviour Services	01/04/11	31/03/14	30/06/14	St Mungos	144,379	David Eastwood, Commissioning Manager	Ben Denton	Housing	To extend the current Rough sleepers outreach services for an additional 3 months to allow for completion of tender exercise. Due to a number of factors the current timetable for the tender is becoming unworkable. This approach has been endorsed by Cllr Robathan as the cabinet member responsible for this area as well as Ben Denton as the Director of Housing, Regeneration and Corporate Property.		The current contracts were let through a selective tender exercise and awarded by the strategic Director of Adult and Community Services to commence on 1st April 2011 for a period of 3 years
Public Conveniences Services	01/04/01	31/03/14	01/04/15	APC Clear Channel		John Tweddle, Green Spaces Manager	Leith Penny	Waste and Parks	The future long-term provision of PC services will be reviewed as part of commissioning work which aims to develop a sustainable council wide Operating Model to inform future strategic decision making from 2014/15. Until a long term decision is made on the future arrangements of Public Conveniences, approval is being sought from the Gate Review Panel to approve an extension of the contract for a further year from 1 April 2014 at a cost of approx £260,000 per annum, although WCC make approx £3k - £4k per month in income from entry fee (if units are shut for any reason WCC does not pay so monthly payments vary).		The contract was originally let for 12 years with an extension provision of up to 10 years. The contract ended in March 2013 but was extended for a year until March 2014.

APPENDIX B - Contracts extended or varied in 2013/14 in accordance with the Procurement Code

Title	Contract start date	Contract end date	Extension expiry date	Suppliers	Contract value or Extension/ Variation value	Nominated Authorised Officer	Strategic Executive Board member	Unit	Extension details	Variation details	Approval process for original award of contract and extension/variation.
Provision of school meals	01/09/06	12/04/14	31/08/15	Chartwells	17,000,000	Lynne Richardson, Catering Contract Manager	Andrew Christie	Children's Services	The extension from 12th April 2014 to 31st August 2015 (with break clauses on 31st December 2014 and 2nd April 2015) when the Tri Borough central school meals contract is implemented, will ensure that the arrangement between the council and the contractor will continue and allow time to: • Help navigate and secure school buy in • Fully understand the effect of legislation and possible future amendments –including the proposal that all infants receive a free school meal from September 2014; • Investigate future models of service delivery; • Achieve the strategic objectives in collaboration with schools Tri Borough Children's Services has already published its Commissioning intentions through its Commissioning Prospectus and already undertaken soft market testing for this project. It is known within the school meals industry that this opportunity will present itself in due course and therefore the risk of challenge from another provider is considered as low to medium risk.		
Provision of Confirm On Demand IT solution		01/12/14	30/11/15	Pitney Bowes Solutions		David Pettitt, IT Relationship Manager	Charlie Parker	Information Services	The contract is considered to be key to supporting the transition phase of the new Transportation contracts. Extending the Confirm on demand contract will allow sufficient time for the City Council to consider its wider procurement strategy. Any re-procurement and complex transition to a new system could take twelve months to complete. It would be prudent to only commence this process once the Transportation service contracts have been thoroughly bedded in for a year in order that lessons learned and newly established practices can influence the shape of the future system procurement. A twelve month renewal should therefore be considered as a minimum.		Transerv have contracted and supplied the Confirm software from Pitney Bowes since 2009, delivering it to the City Council through the Transportation 'Lot 5' contract. In 2011 a new contract was set up between Transerv and Pitney Bowes to provide software licences and support as part of an overarching hosted managed service called Confirm OnDemand with an end date of 30th November 2014. Provisions do however exist within this contract that allow the service to be renewed on an annual basis.
* Professional advocacy - People with learning disabilities		01/04/14	30/09/14	The Advocacy Project		Peter McDonnell, Senior Commissioner (Community)	Liz Bruce	Adult Social Care	The extension is needed to cover the tender and governance period for the award of four professional advocacy service contracts across the Tri-borough from 1 October 2014 for vulnerable adults, people with learning disabilities, people with mental health needs and dementia and Children and Young People. The original procurement was expected to start in June 2013 for new contracts to commence from 1 April 2014.		Although there is no provision to extend the contracts, any risks are mitigated by the fact that a competitive procurement exercise is underway, which is compliant with the Tri Borough contracts regulations.
* Professional advocacy - Older people and people with disabilities		01/04/14	30/09/14	POHWER		Peter McDonnell, Senior Commissioner (Community)	Liz Bruce	Adult Social Care	The extension is needed to cover the tender and governance period for the award of four professional advocacy service contracts across the Tri-borough from 1 October 2014 for vulnerable adults, people with learning disabilities, people with mental health needs and dementia and Children and Young People. The original procurement was expected to start in June 2013 for new contracts to commence from 1 April 2014.		Although there is no provision to extend the contracts, any risks are mitigated by the fact that a competitive procurement exercise is underway, which is compliant with the Tri Borough contracts regulations.
* Professional advocacy - Older people		01/04/14	30/09/14	The Advocacy Project		Peter McDonnell, Senior Commissioner (Community)	Liz Bruce	Adult Social Care	The extension is needed to cover the tender and governance period for the award of four professional advocacy service contracts across the Tri-borough from 1 October 2014 for vulnerable adults, people with learning disabilities, people with mental health needs and dementia and Children and Young People. The original procurement was expected to start in June 2013 for new contracts to commence from 1 April 2014.		Although there is no provision to extend the contracts, any risks are mitigated by the fact that a competitive procurement exercise is underway, which is compliant with the Tri Borough contracts regulations.
* Professional advocacy - Targeted mental health advocacy		01/04/14	30/09/14	Advocate for Mental Health		Peter McDonnell, Senior Commissioner (Community)	Liz Bruce	Adult Social Care	The extension is needed to cover the tender and governance period for the award of four professional advocacy service contracts across the Tri-borough from 1 October 2014 for vulnerable adults, people with learning disabilities, people with mental health needs and dementia and Children and Young People. The original procurement was expected to start in June 2013 for new contracts to commence from 1 April 2014.		Although there is no provision to extend the contracts, any risks are mitigated by the fact that a competitive procurement exercise is underway, which is compliant with the Tri Borough contracts regulations.
Rough sleeper hostel services and Supported housing for People with mental health problems - Units 183				Look Ahead, St Mungos and WAMH		Greg Roberts, Head of Supporting People	Ben Denton	Housing		Contracts varied to deliver the third year of the Supporting People Procurement Strategy, delivering £2.108m of savings in 2013 - 2016. Total annual cost for these services is £2,218k and total savings are £155k.	
Rough sleeper Day centre services; Hostel services; supported housing services; People with mental health problems; Offenders or people at risk of offending; Young people at risk or leaving care - Units 311			01/04/15	The Passage, Connections, West London Mission, Riverside, Thames Reach, Broadway, St Mungos, NACRO, Cardinal Hume Centre.		Greg Roberts, Head of Supporting People	Ben Denton	Housing	Contracts extended to 2015 with grant reduction and review of service as part of the Supporting People Procurement Strategy, delivering £2.108m of savings in 2013 - 2016. Total annual cost for these services is £3,817k and total savings are £453k.		
People with mental health problems - Units 81			01/04/17	Look Ahead		Greg Roberts, Head of Supporting People	Ben Denton	Housing	Contracts extended to 2017 with large grant reduction following review of services as part of the Supporting People Procurement Strategy, delivering £2.108m of savings in 2013 - 2016. Total annual cost for these services is £1,736k and total savings are £550k.		
Various supported housing services - Units 2.160				Various providers		Greg Roberts, Head of Supporting People	Ben Denton	Housing	Contracts extended on current basis pending service area review as part of the Supporting People Procurement Strategy, delivering £2.108m of savings in 2013 - 2016. Total annual cost for these services is £5,775k.		

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Title	Contract start date	Contract end date	Extension expiry date	Suppliers	Contract value or Extension/ Variation value	Nominated Authorised Officer	Strategic Executive Board member	Unit	Extension details	Variation details	Approval process for original award of contract and extension/variation.
External repairs, window renewals and decorations works in the Harrow Road and Queens Park areas	01/02/13	31/10/14		Lengard Ltd		Katarzyna Wroblewska/ Altat Chikte	Ben Denton	City West Homes		The Gate 2 budget approval authority for the contract works is £4,828,209 inclusive of a risk register of £427,010. This Change Control seeks authority to issue four contract instructions that will reduce the contract value by £216,758. The proposals will not increase the cost of the scheme, or the impact upon the current completion date, and consequently the scheme will remain within the approved budget sum.	At Gate 1, the use of the CWH Framework Agreement was agreed to be undertaken as the appropriate route to the market. The Invitation to tender was sent out by the CWH Procurement team via email to the contractors listed within the refurbishment section, band value between £1m-£5m of the CWH Framework document. 4 out of 10 contractors submitted a tender.
Provision of City Guides and a City Transformed Through Sport		01/04/14	31/03/15	Volunteer Centre Westminster	451,218	Richard Cressey, Policy Officer; Andy Durrant, Head of Sport and Wellbeing	Charlie Parker	Corporate Services	That approval be given for an extension of 12 months to the contract(s) with Volunteer Centre Westminster for the provision of Westminster City Guides and 'A City Transformed Through Sport' from 1 April 2014 to 31 March 2015. The Council has developed a new Westminster Volunteering Strategy that looks to build upon the success of its existing events volunteering programmes. The Flagship Volunteering programme that will replace this contract is currently awaiting Gate 1 approval. It is intended that the future volunteering programmes will involve a longer contract and would therefore warrant more detailed work to establish a market from which to procure. It is intended that the contract will be awarded during the summer of 2014 to commence 1st October 2014.		
External and communal area repairs and a decorations programme to street properties in the Pimlico, London SW1 vicinity				Balfour Beatty		Altat Chikte – CityWest Homes	Ben Denton	City West Homes		The Gate 2 budget approval authority for the contract works is £1,373,537 inclusive of a risk register of £184,532. This Change Control seeks authority to release a risk register sum of £68,495 in settlement of the contractor completing additional repair works in accordance with the contract terms and conditions. An intrusive survey of the properties was carried out upon the erection of the scaffolding. It became evident that a number of properties on Gloucester Street, Cumberland Street and Ranelagh Road required additional works, (over and above the specified quantities), to the roofs and external masonry, (together with additional internal plaster repairs).	
Provision of design services to RIBA Stage D+ for the scheme known as 291 Harrow Road	01/02/13	30/11/13	31/03/14	Tibbalds Multidisciplinary Team	524,260	Sanjay Sharma, Development Manager	Ben Denton	Corporate Property	The Tibbalds Multidisciplinary Team contract is to be extended so that they can undertake this work because of intellectual and artistic rights acquired from RIBA Stages A-D.		
Stage - D+ works for DFP mini tender package, Design Advisor role and support services to the Tollgate Gardens Compulsory Purchase Order.		31/03/14	01/06/15	BDP consortium	819,032	Barbara Wright Senior Regeneration Manager	Ben Denton	Corporate Property	The proposal is to extend this contract further with BDP under the HCA Multi Disciplinary Framework to provide mini tender documents to support the forthcoming Development competition to find a developer partner to regenerate the Tollgate Gardens estate, to provide Design Guidance to the Developer Partner throughout the development process to practical completion to ensure that the original scheme is built according to the design aspirations of the master plan and planning permission and to provide support to the Compulsory Purchase process and Public Inquiry, should one be held. Section 11 of the current contract with BDP for Tollgate, drawn up by Sharpe Pritchards which assigns intellectual property rights to the City Council is based on the HCA Multi Disciplinary Framework terms and conditions. The HCA panel expires in August 2014 and is being retendered by the HCA. Any contract let between now and August 2014 will therefore be compliant.		In 2012, the City Council ran a tendering competition using the HCA Multi Disciplinary Framework for the Tollgate Gardens regeneration, to appoint new architects and support consultants to progress the master plan for the Tollgate Gardens estate - tenders were requested for RIBA stages A- L and three tenders were received. A Gate 2 report was submitted recommending the appointment of BDP consortium. The Gate panel awarded a contract to Stage C + only in the sum of £515k, to submit a planning application and Gate later approved an extension by £71,500 so that support from BDP could be provided during the planning application process.
Delivery of home learning provision to children who have significant special educational needs, or a disability	18/05/07	01/04/14	30/09/15	KIDS	218,620	Rabiatu Wilson, SEN Project Intern Steve Comber, Tri-borough Executive Support Team Officer Alison Farmer, Tri-borough Assistant Director for Special Educational Needs	Andrew Christie	Children's Services	The purpose of the 18 month extension will be to continue the Home Learning and Portage service, while a six to eight month service review of the service can be undertaken. The results of the review will inform the decision to either develop a Tri-borough in house or outsourced Portage service. The Children and Families Bill will be enacted in September 2014 and part of the bill seeks to transform the system for children and young people with Special Educational Needs (SEN) and disabilities.		The contract was first awarded on 18 May 2007 and to date there have been three variations of the KIDS contract. • The first variation extended the first agreement until 31 March 2012. • The second variation agreed to extend the first agreement until 31 March 2013. • The third variation extended the first agreement to 31 March 2014. The third variation was not formalised due to staff change over and a change of context. The Contract Price for the period from 1 April 2013 to 31 March 2014 was the sum of £65,507 for KIDS Home Learning and Portage services and an £80,000 Service Level Agreement for Locality Home Learning. The total value of the contract was £145,507.
** People with Learning Disabilities - London Living Project (LDN)		01/04/14	31/03/16	Westminster Society	48,000	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
** People with Learning Disabilities - ASSIST Project		01/04/14	31/03/16	The National Autistic Society	21,000	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
** Travel Mentoring		01/04/14	31/03/15	Pursuing Independent Paths	55,700	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
** Volunteering - The learning disability focused volunteer work project		01/04/14	31/03/15	Volunteer Centre Westminster	20,000	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		

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** Volunteering - Deliver a volunteer project		01/04/14	31/03/15	Mind Westminster	47,500	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
** User Involvement (People with Learning Disabilities, Mental Health Needs and Dual Diagnosis) - Partnership Board and Self-Advocacy Support		01/04/14	31/03/16	Advocacy Project	88,842	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
** User Involvement (People with Learning Disabilities, Mental Health Needs and Dual Diagnosis) - User Involvement (People with Learning Disabilities, Mental Health Needs and Dual Diagnosis)		01/04/14	31/03/16	Advocacy Project	82,112	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
** User Involvement (People with Learning Disabilities, Mental Health Needs and Dual Diagnosis) - User Involvement Support Dual Diagnosis		01/04/14	31/03/16	Advocacy Project	25,000	Pete McDonnell, Adult Social Care Senior Commissioner (Community)	Liz Bruce	Adult Social Care	Extension of the current contract to enable five strategic service reviews to be undertaken between November 2013 and to January 2015 including older people's prevention services, day opportunities for people with learning disabilities, volunteering, travel mentoring and user involvement.		
Provision of Property Asset Data Management	15/03/14	14/03/19	14/03/22	Technology Forge Ltd	120,008	Gary Phillips, Commercial Contracts Manager - Managed Services MSP	Charlie Parker	Managed Services		Kensington & Chelsea have declared their intention to renew their contract with their incumbent provider for another year from June 2014. This is contrary to the Tri-borough's original intentions at Gate 2 and the impact is that Westminster and Hammersmith & Fulham have to call off under Scenario 1 pricing. Scenario 1 pricing increases the annual cost per council by £15,001 from an anticipated £25,652 to £40,653, an increase of 37%, equating to an increase of £75,005 per borough over 5 years or £120,008 if extended each for Westminster City Council and the London Borough of Hammersmith & Fulham.	Following a competitive tendering process led by Westminster City Council The Technology Forge were awarded the contract to provide the services.

TOTALS

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AGENDA ITEM No.



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	24 September 2014
Classification:	For General Release
Title:	Internal Audit & Counter Fraud 2014/15 – Progress Report
Wards Affected:	All
Financial Summary:	Appx Value of audited areas: £258m
Report of:	City Treasurer (Section 151 Officer)

1. Executive Summary

Key outcomes from the Internal Audit & Counter Fraud work in the year to date:

- Audit work carried out by the Council's Internal Audit & Counter Fraud contractor, Baker Tilly Risk Advisory Services LLP (Baker Tilly), in the financial year 2014/15 to date found that in the areas audited, internal control systems were generally effective with 80% of the audits undertaken receiving a positive assurance opinion. There are a few areas where control improvements are required and compliance with agreed systems should be improved. In each case, action plans are in place to remedy the weaknesses identified and these will be followed up until they are considered to be complete.
- In addition to the audit work undertaken by Baker Tilly, eight audits have been completed in the year to date in respect of services provided within RB Kensington & Chelsea (RBK&C), LB Hammersmith and Fulham (LBHF) and Westminster City Council (WCC). These were in respect of Tri-Borough Services and were undertaken by the external contractor to LBHF/RBK&C or the in-house internal auditors at RBK&C. A positive assurance opinion was given in 75% of these audits. Where these audits have resulted in a limited assurance opinion, the findings are included in this report and will be taken into account by the Council when preparing the Annual Governance Statement.

- In the period to August 2014, Housing Benefit investigations resulted in seven prosecutions and ten “Cautions” or “Administrative Penalties” which related to overpayments and fines totalling nearly £94k of which approximately £4k has been recovered so far.
- General fraud investigation work during the year has resulted in twelve housing properties being recovered. In addition, investigations into the misuse of disabled parking badges have resulted in one prosecution.

2. Recommendation

That the Committee consider and comment on the internal audit and counter fraud work carried out during the period.

3. Background, including Policy Context

Baker Tilly Risk Advisory Services LLP (Baker Tilly) is the Council’s appointed internal audit and counter fraud specialist. Detailed reports on the performance of the Internal Audit and Anti-Fraud contract and the outcomes of the work undertaken by Baker Tilly are presented monthly to the Section 151 Officer. These can be made available to the Committee on request. Some of the audits in the annual plan are undertaken on a tri-borough basis by either Baker Tilly, the external contractor to RBK&C/LBHF or RBK&C’s in house audit team. These audits are managed by the Tri-Borough Director of Audit. The Audit & Performance Committee are provided with updates at each meeting on all RED or AMBER RAG limited assurance audits issued in the period.

4. Internal Audit Opinion

As the provider of the internal audit service to Westminster City Council, Baker Tilly are required to provide the Section 151 Officer and the Audit & Performance Committee an opinion on the adequacy and effectiveness of the Council’s governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

Our opinion is that at the time of preparing this report, the Council’s internal control systems in the areas audited in the year to date were adequate with the exception of those areas detailed as “amber” and “red” (paragraphs 5.1 1 to 5.1.5 below). This is a positive opinion which means that the Council generally has effective internal control systems with 78% of the audits issued in the period receiving a positive assurance opinion.

In the above context we stress that:

- This opinion is based solely upon the areas reviewed and the progress made by the Council to action our recommendations;
- Assurance can never be absolute neither can our work be designed to identify or address all weaknesses that might exist;
- Responsibility for maintaining adequate and appropriate systems of internal control resides with council management, not internal audit;
- We have not placed reliance on other agencies' work in carrying out our audits.

Follow up reviews confirmed that the implementation of “fundamental” (high) and “significant” (medium) recommendations has generally been consistent. The exceptions to this are detailed in paragraphs 5.2.1 and 5.2.2 below.

Appendix 1 to this report contains an indication of advisory work completed in the period;

Appendix 2 to this report contains a summary of the performance indicators for the internal audit service; and

Appendix 3 to this report details the school audits planned during 2014/15.

5. Audit Outcomes

5.1 Since the last report to members twenty-three audits have been completed, eighteen of which did not identify any key areas of concern:

- Provision of Temporary Accommodation – Statutory Requirements (substantial assurance, Green RAG);
- Libraries Service Cost Apportionment (satisfactory assurance, Amber RAG);
- IT Hardware Asset Management (satisfactory assurance, Amber RAG);
- Westmead/Carlton Dene Establishment Reviews (satisfactory assurance, Amber RAG);
- Street Trading (satisfactory assurance, Amber RAG);
- CCTV (satisfactory assurance, Green RAG);
- Mortuary (substantial assurance, Green RAG);
- Queens Park Primary School (substantial assurance, Green RAG);
- Robinsfield Primary School (substantial assurance, Green RAG);
- St Barnabas' Primary School (satisfactory assurance, Green RAG);
- St Mary's (Bryanston Square) Primary School (satisfactory assurance, Green RAG);
- Westminster Cathedral Primary School (satisfactory assurance, Green RAG);
- Tri-borough Adult Social Care Procurement & Commissioning (satisfactory assurance, Green RAG);

- Tri-borough IT Project Management & Standards (satisfactory assurance, Green RAG);
- Tri-borough Project Management – Multi-Agency Safeguarding Hub (MASH) (satisfactory assurance, Green RAG);
- Tri-borough Project Management – Early Help (satisfactory assurance, Green RAG);
- Tri-borough Capital e-sourcing (satisfactory assurance, Green RAG);
- Tri-borough Information Sharing & Data Management (satisfactory assurance, Green RAG).

Four limited assurance audits were issued in respect of Public Health Governance, Troubled Families, Total Facilities Management (TFM) and Members IT. In addition, a limited assurance audit has been issued in respect of a high level review of the Managed Services Project. The findings of these audits are summarised in paragraphs 5.1.1 to 5.1.5 below:

5.1.1 Tri-borough Public Health - Governance (Red)

Since the transition of the Public Health team to the tri-borough councils in April 2013 the service has faced a number of difficulties including resources not reflecting the size of the budgets and complexity of the services being provided and having a number of Interim Directors for the service, although a permanent Director is now in post. An audit was undertaken on the governance arrangements within the service and at the time of the audit, a number of areas of weakness were identified and recommendations made to address these including:

- Improving the focus and detail in the Business Plans/ Service Delivery Plans to ensure that Members receive sufficient information on matters that may impact on the achievement of agreed objectives;
- Implementing robust systems to monitor contracts and to monitor performance against the achievement of the objectives identified within the Business Plan;
- Ensuring all matters identified with the Public Health Transition Programme Board Lessons Learnt Report are addressed with residual activities followed up and resolved where appropriate.

The permanent appointment of a Director of Public Health together with the allocation of a designated Business Partner should provide stability for the service and lead to improvements in the overall stewardship of the Public Health service.

5.1.2 Tri-borough Troubled Families (Amber)

The Department for Communities and Local Government (DCLG) published a 'Financial Framework for the Troubled Families programme's payment by results scheme for local authorities' in March 2012. The programme aims to encourage local authorities and their partners to develop new ways of working with families which focus on lasting change. It was recognised that these approaches are likely to incur extra costs but the result should reduce costs in the long term and

improve outcomes for the families. The local authority has to submit a self-declaration of results and payments will be made on the basis of these declarations. An early review of the service (July 2013) provided satisfactory assurance and noted the following:

- Procedures needed to be drafted covering the data collection and support process to provide guidance and assist with staff continuity;
- There were some specific non-compliant errors identified in the collation of data, which were found to be human error rather than a result of ineffective processes; and
- Internal spot checking of data needs to be undertaken in order to detect errors which may be a result of system failure or non-compliance.

A second review of the service has now been undertaken which has resulted in a limited assurance opinion and additional recommendations have been made to improve the controls and to ensure compliance with the payment by results scheme:

- A training programme is required so that all staff are clear on the systems and processes in place;
- A robust system is required for collecting and managing data, which is consistently complied with and in the absence of key officers a suitable officer is identified to continue with this work;
- The recently produced local procedures need to be finalised, subject to regular review and update, so that they provide a robust guide to the team and ensure compliance with the DCLG's guidance;
- Robust checks need to be established so that the employment status of families, who are being claimed for as a result of no longer claiming state benefits, can be validated. Claims under this criteria carry the highest financial reward and therefore any incorrect claims could have financial implications for the programme; and
- The format and timescales for reporting on the performance of the team should be harmonised across the 3 boroughs to enable officer time to be utilised efficiently and effectively.

It was noted that the service management had identified some of the issues prior to the second audit commencing and were taking action to address these. In addition, the service reported that resourcing issues had impacted on the team's ability to undertake the spot checks recommended in our earlier audit review.

5.1.3 **Tri-borough Total Facilities Management (TFM) (Red)**

This audit was undertaken by the in-house audit team at RBK&C.

The facilities management services for more than two thousand building assets across the tri-borough were outsourced through a contract with Amey from October 2013. The contract runs for ten years with the first year cost estimated to be

£18.4m. Amey's in-house staff and officers of the tri-borough LINK team are responsible for monitoring Amey's performance. An audit has been undertaken on the adequacy of the controls in place within the LINK team for monitoring the Amey contract and for managing the service migration into a fully outsourced service during the 6-month mobilisation and transition period. Three fundamental (high) and seven significant (medium) priority recommendations have been made to address the weaknesses identified which are summarised below:

- The tender process operated by Amey for ad-hoc projects should be reviewed to ensure that it is in line with the procurement regulations within the three councils;
- Improved monitoring and costing information is required which is expected to be available when Amey upgrade their IT system;
- Performance Indicators for the LINK team need to be fully developed and introduced;
- Formal risk management processes and a risk register for the contract need to be developed with regular updates provided to senior management;
- The standard of supporting evidence required to support requests for payments for variable works needs to be defined.

All recommendations have been accepted and are due to be fully implemented by April 2015.

5.1.4 Members' IT (Amber)

Members are provided with Council network and email resources for communicating and sharing of information, some of which will be confidential and sensitive.

The audit identified well designed controls in the following areas:

- Requests for Member email and network accounts are made by the Member Support Team using the new user request form on the intranet and forwarded to IT for authorisation. This reduces the risk of unauthorised access to Council systems and data;
- Robust password and lockout controls are applied to members' network accounts in line with the standard Council policy and this reduces the risk of unauthorised access to Members' network and email accounts;
- The Information Governance Manager registers Members with the Information Commissioner's Office as Data Controllers in their own right to comply with the Data Protection Act 1998.

However, four significant (medium) recommendations have been made to address the following:

- Although a policy has been designed to deter users auto-forwarding emails to external email addresses, the implementation of this policy in respect of Members needs to be discussed and, if appropriate, technical controls

implemented to ensure compliance. Non-compliance with Council policy increases the risk of unauthorised access or data loss of personal data or Council confidential data;

- No IT training or awareness sessions have been provided to Members which increases the risks of data loss or breach as Members may not be aware of the Council's data security and protection measures;
- The majority of Members have not completed Personal Commitment Statements regarding confidentiality agreements and compliance with IT policies. This increases the risk of unauthorised disclosure of data and could expose the Council to other business risks;
- Email management privileges delegated by Members were not revoked when the staff changed roles or left the council. This increases the risk of unauthorised access to sensitive data in Members' mailboxes;
- While technology controls ensure access accounts are disabled upon prolonged lack of use, the "Leavers" process was not formally followed for three ex Councillors. There is an increased risk of non-compliance with DPA, leading to financial penalties or loss of reputation for either the Council or the Member.

Management actions have been proposed to address the recommendations which will be followed up later in the year.

5.1.5 Managed Services Implementation – High Level Controls (Amber)

A high level review of the Managed Services Programme was undertaken in the period with the final report being issued in July 2014. In order to provide timely information to Committee members we have included information in this report.

A Limited assurance opinion report was issued with three fundamental (high) and four best practice (low) recommendations being made. It should be noted that this is a fast moving programme and the audit findings are those identified at a point in time during the audit. Whilst a total of seven recommendations for potential improvement were identified and agreed with management in the course of this audit, the Limited Assurance status of the control environment reflects the normal condition of a complex business transformation change programme and system implementation at this stage of its development and delivery cycle. Four of the recommendations raised have been reported as implemented and one is not yet due.'

Since the audit was completed, the delivery date for implementation of the Managed Services Programme has been extended to 1 April 2015, with re-planning of the Programme and restructuring of the governance arrangements.

5.2 Implementation of Audit Recommendations

Follow up audits were undertaken in the following areas in the period:

Audit	No of Recs Made	No of Recs Implemented / In Progress	Assurance Opinion
Tenant Service Charges	5	4	Satisfactory
Disaster Recovery/Business Continuity	11	11	Satisfactory
Tri-borough Treasury Management	7	7	Satisfactory
Tri-borough Safeguarding Children	22	18	Limited – see para 5.2.1 below
Parks & Open Spaces Contract	8	8	Substantial
Abbots Manor Residents' Association	5	3	Limited – see para 5.2.2 below
Procurement Cards	5	5	Substantial
Right to Buy	9	9	Substantial
Records Management Centre	10	10	Satisfactory
NNDR	4	4	Substantial
Lessee Charges	5	5	Satisfactory
CWH-Business Transformation Delivery	6	6	Satisfactory
Waste Disposal Contract	5	5	Substantial
St Augustine's High School	15	15	Satisfactory
Hampden Gurney Primary School	11	11	Substantial
St Augustine's Primary School	17	17	Satisfactory
Barrow Hill Junior School	5	5	Substantial
St Vincent's Primary School	10	10	Substantial
Burdett Coutts Primary School	7	7	Substantial
Totals	167	160	

Follow up audit work found that the implementation of recommendations was generally good (96%) with 92% of fundamental (high) and significant (medium) recommendations implemented by their due date. Two follow up reviews indicated that insufficient progress had been made to implement recommendations by the due date and these are summarised in paragraphs 5.2.1 and 5.2.2 below. Further follow up work will be undertaken to ensure outstanding recommendations are implemented.

5.2.1 Tri-borough - Safeguarding Children (Limited Assurance)

A tri-borough audit was undertaken in 2013/14 which identified different levels of assurance at each of the three councils. Substantial assurance was given to the systems operated at RBK&C, satisfactory assurance was given to the systems operated at LBHF and limited assurance given to the systems operated at

Westminster Council. The audit noted that the Council had recently implemented a new case management system (Framework) and a number of the recommendations related to the information held on the new system. Three fundamental (high), seventeen significant (medium) and two best practice (low) recommendations were made to address the identified weaknesses.

An initial follow up was attempted in the latter part of 2013/14 but due to issues in gaining access to systems, the follow up could not be completed at that time. A further follow up review has now been undertaken and testing identified that two fundamental (high) and two significant (medium) recommendations have not yet been fully implemented. A further follow up review will be undertaken later to confirm that the recommendations have been fully implemented.

5.2.2 Abbots Manor Residents' Association (Limited Assurance)

As previously reported to the Committee (February 2014) a review was undertaken on the operational and financial management practices within the Abbots Manor Residents' Association (AMRA). The audit identified that the control framework was inadequate with one fundamental (high), two significant (medium) and two best practice (low) recommendations made.

A follow up review was recently completed and it was noted that one fundamental (high) and one best practice (low) recommendation had not been implemented with two significant (medium) and one best practice (low) recommendations partially implemented.

5.3 Performance of the Internal Audit Contractor

The key performance indicators for the internal audit contractor are contained in Appendix 2. As shown by the performance indicators, the recommendations made are accepted and implemented in a timely manner and positive satisfaction surveys received from auditees. Improvement is required in the following areas:

- Percentage of audit plan complete;
- Delivery of draft report within 10 days of the exit meeting.

The contractor anticipates that these performance indicators will improve during the next quarter.

6. Anti-Fraud Work Outcomes

6.1 Summary of Housing Benefit Fraud Investigations

6.1.1 The table below illustrates the sanctions achieved in the period April to August 2014. From a total of two-hundred and eighty-nine investigated cases there have been sixteen sanctions. The investigations have identified nearly £94k in overpaid

Housing Benefit of which approximately 5% has been recovered to date. The remaining amounts are subject to continuing recovery action. It has always been the case that recovery has been slow due to the constraints on the action that can be taken, although eventually the majority of the money will be recovered. Internal Audit continues to work with the relevant sections of the Council to improve the speed of recovery.

Year 2014/15 Sanction	No of Cases	Overpayments/ Fine	Recovered to Date	Recovery Rate	Comparison Recovery Rate Previous Year
Prosecution	7	£67,566	£ 2,882	4.27%	9.74%
Official Cautions	6	£ 6,589	£ 0	0%	0%
Administrative Penalties (overpayments & fines)	3	£19,812	£ 2,000	10.09%	1.1%
Totals	16	£93,967	£ 4,882	5.2%	0.68%

6.1.2 The outcomes for the seven prosecution cases are as follows:

- A benefit claimant from SW1 was sentenced to a 12 month prison sentence suspended for 1 year at Thames Magistrates Court after pleading guilty to four offences of failing to declare changes in circumstances during claims for Jobseeker's Allowance and Housing Benefit. This case was a joint investigation involving investigators from the Council and the DWP. The defendant had fraudulently obtained £6,203 Jobseeker's Allowance and £17,741 Housing Benefit after failing to declare her student status whilst receiving undeclared loans and grants between September 2011 and June 2013;
- A benefit claimant residing in SW1 was sentenced to a 80 hour Community Punishment Order to be served over 12 months at Thames Magistrates Court after pleading guilty to two counts of failing to declare changes in circumstances during claims for Jobseeker's Allowance and Housing Benefit. This case was a joint investigation involving investigators from the Council and the DWP. The defendant had fraudulently obtained £1,714 Jobseeker's Allowance and £3,284 Housing Benefit after failing to declare his earnings from employment between August 2012 and February 2013;
- A benefit claimant from the W2 area was sentenced to 150 hours in a Community Punishment Order at Westminster Magistrates Court after pleading guilty to three fraud offences in relation to his claim for Housing Benefit. The defendant advised the Council's Benefits Service that his wife had started work in October 2012 but investigators established that she had been working for two years prior to this. This resulted in the defendant fraudulently obtaining £14,976 Housing Benefit between December 2010 and December 2012. The court also

passed a Compensation Order for the full value of the loss to the Council and awarded costs of £1,749;

- A benefit claimant from W9 was sentenced to a four month prison sentence suspended for 2 years at Southwark Crown Court after pleading guilty to a number of offences of failing to declare changes in circumstances during claims for Income Support and Housing Benefit. This case was a joint investigation involving investigators from the Council and the DWP. The defendant had fraudulently obtained £11,534 Income Support and £17,034 Housing Benefit between August 2009 and July 2013 after failing to declare that her partner who was living with her was in full-time employment. The defendant was also sentence to a 100 hour Community Order and costs of £250 were awarded;
- A benefit claimant who resides in NW8 was given a 24 month Conditional Discharge after being found guilty of two offences relating to claims for Income Support and Housing Benefit. This case was a joint investigation involving investigators from the Council and the DWP. The defendant had fraudulently obtained £5,593 Income Support and £780 Housing Benefit between 2010 and 2013 after failing to declare his employment and his partner's occupational pension;
- A benefit claimant from W9 was sentenced to a 2 year Conditional Discharge at Westminster Magistrates Court after being found guilty after her trial of one fraud offence of failing to report a change in her circumstances in relation to her claim for Housing Benefit. The defendant failed to declare that she had moved to an address in Harrow and Housing Benefit continued to be paid to her bank account. This had resulted in the defendant fraudulently obtaining £10,813 Housing Benefit between December 2011 and February 2013. The court also passed a Compensation Order for £1,600;
- A benefit claimant residing in W9 was sentenced to a 12 month Community Order with a requirement of 80 hours unpaid work after pleading guilty to two benefit fraud offences in relation to her claims for Housing Benefit and Income Support. The defendant failed to declare that she had become a full-time student in receipt of student loans and grants. This had resulted in the defendant fraudulently obtaining £2,157 Housing Benefit and £2703 Income Support.

6.2 Single Fraud Investigation Service (SFIS) - Update

- 6.2.1 The Fraud & Error Strategy: *Tackling fraud and error in the benefit and tax credits systems* contained a commitment to establish a Single Fraud Investigation Service (SFIS) to investigate Social Security welfare benefit and Tax Credit fraud across local authorities (LA), HM Revenue and Customs (HMRC), and DWP.

6.2.2 On 1 May 2014 the Department for Work & Pensions (DWP) wrote to the Chief Executive to confirm that the implementation date for the Tri-borough Councils is 1 March 2015 when the responsibility for the investigation of Housing Benefit fraud will transfer to the DWP. Staff whose work is solely or primarily the investigation of Housing Benefit will also transfer to the DWP.

6.2.3 An initial meeting has taken place with the DWP to discuss the transfer of Housing Benefit investigations to SFIS and a transition plan is being prepared by the Tri-borough Head of Fraud. A number of changes to the existing processes have been identified which will have an impact on the Council and the counter fraud service post SFIS which are summarised below:

- **Holistic approach to tackling fraud** - The Council will no longer be able to investigate Housing Benefit fraud matters and no agreement has yet been reached as to how cases, involving other Council services, will be dealt with. For example, when a Housing Benefit fraud occurs it often has implications for a possible breach of social housing tenancy (i.e. subletting). Currently the Counter Fraud Team are able to investigate the entire criminality, but when SFIS commences this may not be possible.
- **Powers to investigate** - The statutory powers associated with the investigation of Housing Benefit fraud, in accordance with the Social Security Fraud Act 2006, will also be removed. The evidence obtained by these powers is also used to bring charges against those who commit other or like offences against the Council.
- **Missed fraud referrals** - Referrals received in respect of Housing Benefit fraud often link the suspect to other Council services that may be being obtained illegally or unlawfully. These referrals may be lost to the DWP who will solely focus their efforts on DWP benefits.
- **New burdens** - No electronic transfer of data or access to Council systems has been set up by SFIS, and from the 1 March 2015 the officers responsible for the investigation of Housing Benefit fraud will no longer be located in Council offices. The burden of resourcing and responding to data requests (i.e. application forms, correspondence, screen prints) will be the responsibility of the Council.

6.3 Summary of General Fraud Investigations

6.3.1 In the period April to August 2014, seventy-eight general fraud investigations were completed. The outcomes include:

- twelve properties recovered for re-letting;
- one prosecution for the misuse of a disabled badge (see 6.3.2 below);

- eleven resident parking permits recovered/prevented from being issued, with an estimated saving of £59k;
- one disabled parking badge recovered/prevented from being issued, with an estimated saving of £6k.

6.3.2 A driver was successfully prosecuted in April for using his father's, Westminster issued, blue and white disabled badges whilst his father was not present. The driver was obtaining free parking on Curzon Street, W1 while working at a nearby jewellery shop. The gentleman pleaded guilty to an offence under section 115(1) of the Road Traffic Regulations Act 1984. He was fined £200 and ordered to pay costs of £300.

6.3.3 Three proactive exercises have been undertaken in the W1 and W2 areas primarily aimed at identifying abuse of disabled parking badges as well as providing a presence as a deterrent to those who may be considering misusing a parking permit or disabled person's badge.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Chris Harris on 020 7641 2463,

Email: chris.harris@bakertilly.co.uk

Address: Internal Audit, 33 Tachbrook Street, London, SW1V 2JR. Fax: 020 7641 6039

BACKGROUND PAPERS

Internal Audit Reports;

Monthly monitoring reports.

Advisory Reviews – 2014/15

In addition to the audits listed above, two advisory pieces of work have been undertaken during 2014/15 by Baker Tilly on behalf of the Council. The engagement partner for the Internal Audit Service ensured that there was no conflict in interest for Baker Tilly in undertaking these reviews.

Job Title	Scope	Date of Review	Comments
Corporate - Procurement	Due to the number of changes within the Strategic and Commercial Procurement service a review has been undertaken on the Council's Procurement control framework.	June 2014	<ul style="list-style-type: none"> • The Strategic and Commercial Procurement team have established a soundly based control framework for procurement across the Council. Category management has been introduced which is a procurement approach which relies on cross functional teamwork to generate procurement outcomes that fully satisfy agreed business needs; • A team of experienced and qualified procurement specialists has been established to drive forward changes whilst ensuring that these changes are supported by solid foundations in the form of a robust control framework; • A new Tri-borough procurement solution called capitalEsourcing was launched in January 2014 which provides a simple, secure and efficient means for managing procurement activities; <p>A number of recommendations have been made to assist the service to address any non-compliance risks and robust reporting and monitoring arrangements have been recommended.</p>
Housing – Regeneration Building Programme	At the request of the Strategic Director of Housing, Regeneration and Property a review has been undertaken on the governance arrangements in place for the Regeneration Building Programme.		<p>A number of issues were identified which could impact on the effectiveness of the control framework in place. These include the following:</p> <ul style="list-style-type: none"> • Not all of the projects had Project Initiation Documents (PIDs) in place, meaning that a robust and consistent approach to projects/programmes may not always be taken; • The Leaseholder and Decant Policies on the Council's website were still in a draft format; • A formal process is not in place which sets out how to undertake a financial evaluation; • Not all projects had risk logs in place. Additionally the risk log that was reviewed had not been updated for some time, meaning that a possible escalation of the risks stated, or new risks emerging, would not have been documented, assessed and mitigated against; and • Performance targets for the social aspects of projects should be established.

Performance Indicators – 2014/15

Internal audit performance is summarised below against a range of performance indicators:

Performance Indicators	Target	Actual	Comments
Delivery			
Percentage of audit plan completed by 31 August 2014	44%	33%	This is behind target but expected to improve in the 2 nd quarter of the year.
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	68%	Delays in the quality review process due to leave will be addressed in the coming months.
Percentage of audits finalised within 10 days of a satisfactory response	95%	100%	
Quality			
External audit conclude they can place reliance on Internal Audit work (annual)	Yes	Yes	
Percentage of jobs with positive feedback from client satisfaction surveys	90%	100%	All scored 3 or above.
Percentage of priority 1 & 2 recommendations accepted by management	95%	100%	
Percentage of priority 1 & 2 recommendations implemented by management	95%	92%	Small number of recs not fully implemented at time of follow up (see paragraph 5.2 above).

School Audits

The internal audit strategy allows for the schools within Westminster to be audited on a three-year cycle. The audit programme has been reviewed by RBKC, LBHF and Westminster with the aim of adopting a common approach to school audits across the three boroughs and a revised programme is being used for school audits at the three boroughs.

During 2014/15, a total of 20 school audits are planned:

- 14 primary schools;
- 4 nursery schools; and
- 2 special schools.

Any school which is given a limited assurance opinion will be reported to the Audit and Performance Committee during the year. Follow up audits are undertaken on all schools where fundamental or significant recommendations have been made, regardless of the assurance opinion given.

The table below shows the schools due to be audited in 2014/15. This will be updated and reported to each meeting of the Committee:

School	Assurance	RAG	No of Recommendations	Follow Up Assurance	Follow Up RAG
Robinsfield Primary School	Substantial	Green	9		
Westminster Cathedral Primary School	Satisfactory	Green	14		
St Barnabas Primary School	Satisfactory	Green	12		
Queen's Park Primary School	Substantial	Green	4		
St Mary's Bryanston Square Primary School	Satisfactory	Green	18		

School	Assurance	RAG	No of Recommendations	Follow Up Assurance	Follow Up RAG
Queen Elizabeth II Special School					
College Park Special School					
St Joseph's Primary School					
Our Lady of Dolours Primary School					
George Eliot Primary School					
St Mary of the Angels Primary School					
Dorothy Gardner Nursery School					
Portman Nursery School					
Mary Paterson Nursery School					
Tachbrook Street Nursery School					
St Mary Magdalene Primary School					
Paddington Green Primary School					
St Matthew's Primary School					
St Saviour's Primary School					
St Clement Danes Primary School					

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Audit & Performance Committee Meeting 24th September 2014

2014/15 FINANCIAL YEAR OUTTURN REPORT AS AT P3

Key Messages for Projected 14/15 Outturn:

Revenue

At Period 3, the Council is projecting an overall deficit to Budget of £1.7M. This is mostly due to continued pressure within Housing relating to temporary accommodation costs.

Capital Expenditure

At Period 3 the projected Service Area outturn for 14/15 is £52.8M which although £8.1M above the 14/15 Approved Budget, includes £7.8M slippage from 13/14 (a major cause of the 13/14 underspend to budget). Slippage has been approved by the Capital Review Group (CRG) and submitted for Cabinet Member approval.

CONTENTS OF THIS REPORT

SECTION 1 – Revenue Projected Outturn;

SECTION 2 – Capital Expenditure Projected Outturn; and

SECTION 3 – Finance Strategic Projects.

SECTION 1: REVENUE PROJECTED OUTTURN

1. Operating Budget

The Council set an Operating Budget of c£211M of expenditure which generated a budgeted deficit of £2.1M. The projected outturn (at P3) against this budget is a £1.7M deficit which is totally due to adverse movements within Service Areas.

2. Service Area Revenue Projected Outturn

The net Service Area deficit of £1.7M to budget is made up of the following:

- Unfavourable variances (overspends) to budget within:
 - Housing where the service is reporting an overspend to budget of £1.5M which is primarily due to a combination of significantly higher volumes of temporary accommodation and higher spot rates than budgeted.
 - Libraries & Culture where the service is reporting an overspend to budget of £0.2M which is due to a reduced level of income from weddings due to the loss of the Council House venue.
- A break-even, or near break-even position is reported in all other Service Areas.

Please refer to Table 1 which reports budgets, projected outturn and variances by Service Area.

Table 1 – Revenue Projected Outturn by Service Area

SERVICE AREAS	P3 FULL YEAR ANALYSIS		
	Budget	Projected Outturn	Projected Variance
	£000	£000	£000
Adults Social Care	81,903	81,903	0
Children's Services	40,174	40,174	0
Libraries & Culture	6,910	7,060	(150)
Built Environment	15,742	15,742	0
City Management	50,289	50,289	0
Parking	(53,989)	(53,989)	0
Housing	26,982	28,482	(1,500)
Property	(916)	(916)	0
Sports & Leisure	891	891	0
Public Health	(1,217)	(1,217)	0
SEB & Strategic Support	9,882	9,882	0
Finance & Operations	34,342	34,342	0
SERVICE AREA TOTAL	210,991	212,641	(1,650)
Government Funding	231,190	231,190	0
Corporate Income	1,000	1,000	0
Total Funding / Income	232,190	232,190	0
Less: Corporate Financing	23,290	23,290	0
Corporate Financing	208,901	208,901	0
Net Surplus/(Deficit)	(2,090)	(3,740)	(1,650)

SECTION 2: CAPITAL EXPENDITURE PROJECTED OUTTURN

For 2014/15 the projected outturn for Service Areas as at Period 3 is £52.8M which although £8.1M above the 14/15 Approved Budget is inclusive of £7.8M of 13/14 slippage. The latter has already been approved by CRG and submitted for Cabinet Member approval.

The inclusion of proposed slippage in the projected outturn - which is detailed in Table 2 - explains the projected overspends to budget within the areas of: Adults' Social Care (£0.2M), Children's Services (£1.1M), Libraries & Culture (£2.2M), Parking (£0.5M) and Finance & Operations (£0.5M).

Built Environment are projecting an overspend to budget of £2.3M of which £1.7M is accounted for by slippage. The remainder relates to additional costs for footway renewal and the upgrading of World War One monuments. In capital programme terms, this is funded from a corresponding underspend in 13/14.

Property are projecting an outturn of £11M which although £1.3M above the approved budget includes slippage of £1.7M. The net reduction of £0.4M is due to a number of movements, primarily the revised profiling (and delay until subsequent years) of City Hall refurbishment costs which are mostly offset by increased disposal costs and increased landlord's responsibilities.

Table 2 – Capital Expenditure Projected Outturn by Service Area

All Service Areas	P3 Full Year Analysis			Proposed for 2014/15
	Budget Net £000	Projection Net £000	Variance Net £000	Slippage Net £000
All Service Areas				
Adults Social Care	750	933	(183)	183
Children's Services	3,625	4,716	(1,091)	1,088
Libraries & Culture	9,512	11,762	(2,250)	2,179
Built Environment	12,521	14,847	(2,326)	1,659
City Management	2,582	2,582	0	0
Parking	1,500	2,000	(500)	500
Housing	1,143	1,143	0	0
Property	9,735	10,996	(1,261)	1,689
Sports & Leisure	855	855	0	0
Finance & Operations	2,525	3,000	(475)	475
NET BUDGET POSITION	44,748	52,835	(8,087)	7,773
Self financing	5,000	5,000	0	
Development Opportunities	0	17,964	(17,964)	
SELF FINANCING TOTAL	5,000	22,964	(17,964)	0

In addition to Service Area expenditure, the total projected capital expenditure outturn includes £23M of Self-Financing expenditure. This will generate additional property income and future development opportunities.

SECTION 3: FINANCE STRATEGIC PROJECTS

At Period 3 the status of Finance Strategic projects is as follows:

Finance/HR Managed Services Programme – This remains the key strategic project for the Finance Team who is continuing to work, in conjunction with PWC, BT and TriBorough colleagues towards a successful go-live.

Following the earlier decision to pause and review the Programme a detailed re-planning exercise has now been completed. After consideration of all factors, and in agreement with BT, it has been concluded that the optimum go-live date for the Managed Service is 1 April 2015 to ensure it goes as smoothly as possible for the start of the new financial year.

Impacted staff have been updated on the changes and will remain in post until go live to ensure that service delivery is maintained. Supplier contracts are also being reviewed with action being taken to extend where appropriate.

Medium-Term Financial Planning/Strategic Planning - Circa £80M of potential savings have so far been identified. Detailed assurance is now underway; with a status report on the deliverability of the proposals was brought to SEB on 2 September. Follow on sessions with Cabinet and SEB will take place during September. These sessions will review, and give a steer on, on the package of options that go forward for decision.

Report Author: Mo Rahman, Strategic Performance Team

Date: 24th September 2014

SUMMARY:

This report provides the Quarter 1 (April – June 2014) update to Committee on delivery against the 2014/15 business plans and Better City, Better Lives Year 2 projects and activities.

RECOMMENDATIONS:

1. Committee notes the content of the report;
2. Committee indicate any areas of the report that require further investigation; and
3. Committee highlight any new emerging risks that have not been captured.

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1. INTRODUCTION

This report outlines the progress of Westminster City Council against the Performance Management Framework between April and June 2014. This evaluation of performance is based on progress against the Business Plans of each respective SEB portfolio, the Better City Better Lives Year 2 and incorporates the savings initiatives, major change major programmes and risk management processes for 2014/15.

The 2014/15 business plans for the SEB portfolios were signed off by SEB in March 2014, and have now been published. The performance indicators for 2014/15 are detailed in this report have been formally endorsed by SEB and are submitted for Committees approval.

There will be some distinct changes to the Performance Management reporting processes in 2014/15, which are designed to provide greater business intelligence and insight into corporate performance. As well as continuing to produce this detailed quarterly performance report, this will be supplemented by a suite of online monthly performance dashboards. These dashboards will provide a visual snapshot of key performance metrics at Council-wide and SEB portfolio level. More information about the changes in performance management reporting and governance can be found in the 'Proposed Arrangements for Corporate Performance Reporting' Paper available on request from the Strategic Performance Team.

Appendix 2 shows mock-up examples of the Monthly Performance Dashboards by Council-wide and SEB-level. This is a new Corporate Performance product for the 2014/15 financial year and will be available online to SEB, Members and Services on a monthly basis from mid-September 2014.

The dashboard provides an overview summary of Council-wide and SEB level performance on key areas, including:

- a snapshot of performance against indicators and highlighted areas of high and low performance for management attention
- a summary of the key corporate health indicators for the organisation; covering the themes of workforce, reputation, customers and finance
- visual reporting of Council-wide financial information, including savings and spend analysis
- an overview of the performance of the Council's major projects and programmes
- the SEB level dashboards include a breakdown of the indicators for the area and additional workforce and customer metrics

The mechanism for reporting of Corporate Performance has been purposefully designed in a flexible way, to easily accommodate changes to structure and portfolios. This will ensure that the Performance Management Framework and reporting continue to meet the business needs during this period of change.

Copies of the papers and notes referenced in this section are available to Members on request from the Strategic Performance Team.

2. KEY MESSAGES FOR QUARTER 1

Council Wide

- ✓ **Overall performance against key service deliverables and performance indicators is positive.** Delivery of the Council's business plans for 2014/15 has been very successful over the first quarter with majority of service deliverables on track to be delivered by their agreed deadlines and majority of performance measures are on track to achieve target levels for the year. Performance also continues to improve on the same position last year.

Better City, Better Lives Year 2 programme

- ✓ There are a total of 67 Priority Projects and Activities which are linked to the Better City, Better Lives ambitions, of these, one has been completed and a further 63 are on track to be delivered in 2014/15. However, the remaining three projects are at risk these are the Smoking Cessation Programme, Specialised Housing for Older People programme and the implementation of a new licensing fee system. Further details on these projects are outlined in section 4 below.

Spend and Savings

- At the end of quarter 1, service areas are projecting an overspend of £1.7m against the net budget position of £211m for the council.
- At the end of quarter one, a significant number of savings plans are in place to deliver on the £23.3m savings target for the year. To date, 39% of plans have either been completed or are being implemented to deliver £9.1m and 44% of plans are in place to deliver £10.2m. However there are no plans in place to deliver £4m of the savings target.

Tri-borough Adult Services

All key projects within the Adult Social Care Portfolio are on track to be delivered and have met their quarter one milestones.

- ⚠ The targets to supporting adults with disabilities into employment continue to be a local and national challenge. In quarter one, 2.9% of adults with learning difficulties were supported into employment, against a target to increase above the 2013/14 position of 7.8%.

Built Environment

Performance against targets in Built Environment is delivering well. The targets for determining major and minor applications are both being met.

- ⚠ The percentage of 'other applications' processed within eight weeks was 66% in quarter one, which did not meet the target level of 80% and is a reduction in performance from 70% at the end of 2013/14.

Tri-borough Children's Services

Children's Services are on track to deliver their Better City, Better Lives commitment to provide 886 free day care opportunities for two year olds in 2014/15.

- ✓ The proportion of children in year 6 in Westminster schools who achieve or exceed Level 4 in reading, writing and mathematics [SATs] has increased from 79% in 2013 to 85% in 2014. This exceeds the target level of 79% set for this year.
- ⚠ The target to reduce the number of 14-17 year old to come into care has not been met, with a performance of 71% against a target to reduce on the 2013/14 level of 54%. Since April 2014, 15 (60%) of the 25 young people coming into care were aged 14-17 years. During May-June 2014 there have been a number of secure remands, which has led to an increase in our Looked After Children (LAC) numbers.

Tri-borough Public Health

- ✓ In quarter one, 203 adults and children attended obesity prevention programmes. We anticipate exceeding the target of 570 set for the year.
- ⚠ For 2014/15 the smoking cessation target is 2,772 quitters. At the end of quarter one, provisional results show 609 people set a quit date through NHS Stop Smoking Services. At the 4 week follow-up just 340 people had successfully quit smoking (based on self-report), 55% of those setting a quit date.

Housing, Property and Libraries

The results of the Annual Management Survey have recently been published, and they found that 90% of tenants were satisfied with the service provided by CityWest Homes, an all-time high rating.

- ✓ In quarter one the number of visitors to libraries in Westminster exceeded target, with 538,238 visits against a target of 531,652 for the period. This means that 24.7% of the 2,181,959 target for the year has already been achieved.
- ⚠ The target to deliver 478 new affordable homes in Westminster in the next two years was rated as off track at the end of quarter one. This is due to the delays in the Merchant Square scheme which will provide 42 new affordable housing units, this work is now expected to be delivered in quarter two.

City Management

- ✓ Green Flags have recently been awarded to Westminster's Parks and Open Spaces; this is the second highest total in the UK after the London Borough of Hillingdon.
- ✓ Work to install more than 3,000 parking bay sensors across the West End is nearing completion, with the testing of the communication network in the final stages. The launch of the network and release of the real-time parking availability is scheduled for the end of September.
- ✓ There have been just over 1 million visits recorded to the sports and leisure centres in Westminster in quarter one of the year, this is 29.6% of the full year target. This means that the centres are on track to exceed the annual target of 3.6 million visits this year.
- ✓ Little Venice Sports Centre was awarded the 'Leisure Centre Of The Year' award in the prestigious national UK Active Flame Award, which recognise leisure centres, health clubs and group operators that have demonstrated exceptional standards across their operation.

Corporate Support Services

Good progress is being made on the delivery of all 13 audience based campaigns with all key campaign activities either on track or have completed.

- ✓ The timescale for responding to complaints at stage 2 has been successfully reduced from 15 to 10 working days. At quarter one 73% of all stage 2 complaint responses were completed within 10 working days, a marked improvement on last year.
- ✓ At the end of quarter one the income generated from the Investment Portfolio stands at £1.2m. If the current performance level is maintained quarter on quarter by year end we would exceed the target of £4.1m for 2014/15. Therefore the target to increase the income year on year will be achieved.
- ⚠ Both the cost and number of Temporary Agency Contractors (TACs) continue to increase. The total cost for the rolling year to the end of June was £16.7 million compared to £15.1million for the rolling year to the end of March and exceeding the target of £12million. The number of TACs has increased to 350 engaged in the month of June compared to 345 engaged in March, this is still a long way off the target of 300 TACs. TAC usage has been highlighted as an area for urgent action within the business. Addressing these two indicators remains a priority for business areas, with work being done to move TACs to fixed term contracts wherever possible.

Full details of the performance of all Services can be found in section 4 below.

3. PROGRESS AGAINST THE 2014/15 BUSINESS PLANS

Westminster Council's business planning processes ensure the Better City, Better Lives vision for the City are translated into clearly defined plans which are driven by corporate priorities, and clearly demonstrate how the ambitions will be funded.

New business plans, and where appropriate Tri Borough business plans, have been developed for all SEB portfolios for 2014/15. These have been signed off by SEB and were published in March 2014. April to June 2014 was the first quarter of work to deliver the work set out in these business plans and a summary of progress is given below;

Overall performance against key service deliverables and performance indicators is positive.

Delivery of the Council's business plans for 2014/15 has been very successful over the first quarter. However there are a few areas that require some attention, details of which are highlighted in this report.

- **Most of the service priorities are on track to be delivered.**
46 (79%) of our service priorities are being delivered at Quarter 1. The remaining 12 (21%) are at risk of not being delivered. The performance against service priorities is an aggregated assessment of the performance against deliverables and performance indicators, more details of these can be found in the relevant sections.
- **The majority of service deliverables are on track to be delivered by their agreed deadlines.**
38 (7%) have been completed in Quarter 1, with a further 458 (88%) on track to be delivered by their agreed deadlines in 2014/15. 28 (5%) of deliverables are off track and would need some further monitoring to ensure the deadlines are satisfied.
- **Majority of performance measures are on track to achieve target levels for the year. Performance also continues to improve on the same position last year.**
Target information is available for 61 measures, of these 47 (77%) are on track to meet annual targets and 14 (23%) are off track.

In terms of performance against last year's position, comparative data is available for 56 measures, of these 48 (86%) have improved or are the same as last year's position. The remaining 8 (14%) measures are currently deteriorating compared to last year however this number may reduce as positions improve by Quarter 2. The full list of measures is available at appendix 1.

Section 4 below provides a breakdown of delivery and performance for each SEB portfolio.










4. DELIVERY OF 2014/15 BUSINESS PLANS BY SEB PORTFOLIO

This section provides an overview of how each SEB portfolio performed in the first quarter of 2014/15 against the priorities, deliverables and performance indicators set out in the 2014/15 business plan with any areas of concern flagged for attention. Please note that assessments are based on the available updates provided by the services.

4.1 TRI-BOROUGH ADULT SERVICES

Overall Performance






There has been good progress by the Adult Services Portfolio against their deliverables and indicators for 2014/15. None of the deliverables are off track for delivery, and only one of the 9 performance indicators did not meet target levels. The full details of the performance of Adult Services can be found below;

5 Service Priorities		4 (80%) service priorities have been delivered, or are on track for delivery		1 (20%) of service priorities have are slightly off track for delivery		No service priorities are off track for delivery by deadline
4 Deliverables		No deliverables have yet been completed		4 (100%) are on track to be delivered on time		None of the deliverables did not met target levels for the quarter
9 Performance indicators*		None of the indicators have yet achieved the target level for the year		8 (89%) are on track to be achieved by deadline		1 (11%) is off track to be delivered by deadline

*Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.

Delivery against priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment on how the service delivered its priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
1 Tri-borough policies, procedures and processes in place across operational services based on best practice, efficiency and achieving outcomes for service users and carers	 1 Deliverable – On track 5 Indicators – 4 on track and 1 off track
2 Services are value for money and deliver desired outcomes for individuals	 1 Indicator – All on track <i>Note: in total there are 6 indicators against this priority, 5 of which data is available at year end.</i>
3 Increased choice, control and flexibility of home care services available in the market	 2 Deliverables – Both on track 2 Indicators – All on track
4 Carers feel well supported in their caring	 1 Indicator – On track
5 Integrated care is delivered through a range of cost effective methods and quality assured on line, telephone and face to face	 1 Deliverable – On track

Achievements in Quarter 1

Better City, Better Lives

- ✓ A new model for the Community Independence Service and new approach to care at home are both being taken forward as part of the Better Care Fund work with health partners. The aim is to develop more responsive crisis services and more integrated and effective services to support people with long term care needs. It is anticipated that this will both reduce the number of emergency admissions to hospital and the number of admissions to residential and nursing home care.

Key service deliverables and performance indicators

There has been strong performance against the reablement targets in the first quarter of 2013/14. Overall 70% of people completing reablement have required either no service, or a very low level service.

All key projects within the Adult Social Care Portfolio are on track to be delivered and have met their quarter one milestones. In particular, the Customer Journey Project is on track to start developing a 'To-Be' operational design in quarter two. Also, there has been good progress implementing the Care Act, including establishing work-stream plans and estimating demand. The Care at Home tender is progressing as planned and to deadline.

Areas for attention

Better City, Better Lives

- ⚠ The commitment to deliver 60 housing specialist housing units for older people at Darwin House (Churchill Gardens) is currently on hold. However work remains on track to deliver 45 new units at Penn House (Churchill Gardens) by early 2017.










Key service deliverables and performance indicators

- ⚠ The targets to supporting adults with disabilities into employment continue to be a local and national challenge. In quarter one, 2.9% of adults with learning difficulties were supported into employment, against a target to increase above the 2013/14 position of 7.8%. However the department is currently tendering for a new Bi-borough employment support service, which is due to go live early 2015, and it is anticipated that this will support work towards this indicator.

4.2 BUILT ENVIRONMENT

Overall Performance




There has been good progress against the Built Environment business plan deliverables, BCBL activities and performance indicators in quarter one. Two of the three service priorities for the area are on track, and the remaining priority is just slightly off track. The full details of the performance of the Built Environment Services can be found below;

3 Service Priorities		2 (67%) service priorities have been delivered, or are on track for delivery		1 (33%) service priority is slightly off track for delivery		No service priorities are off track for delivery by deadline
28 Deliverables		2 (7%) deliverables have been completed		26 (93%) are on track to be delivered on time		No deliverables failed to meet target levels for the quarter
6 Performance indicators*		No target levels have yet been achieved		4 (67%) are on track to be achieved by deadline		2 (33%) are off track to be delivered by deadline

*Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.

Delivery against priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment on how the service delivered its priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
1 Ensure that everyone in Westminster feels healthy and safe	 7 Deliverables – All on track
2 Ensure that everyone in Westminster feels more involved in their local community, and that it is easier for people to make connections with one another, and to feel more connected to vital services and information.	 21 Deliverables – 2 Complete and 19 on track
3 Accommodate sustainable growth and change in Westminster whilst maintaining the historic character and integrity of its townscapes	 6 Indicators – 4 On track and 2 off track

Achievements in Quarter 1 of 2014/15

Better City, Better Lives

Built Environment is on track with the delivery of all BCBL projects and deliverables. The most notable delivery in quarter one has been of SohoCreate which contributes to 'A distinctive and sustainable destination of choice for investment' priority within Better City, Better Lives.

The inaugural SohoCreate festival took place between the 4th and 6th of June and was a huge success with over 800 people attending to engage with 62 leading creative industry speakers in five venues over 28 sessions. Seven open house sessions were also hosted by some of Soho's most iconic creative companies including Framestore, Dolby, Microsoft Lift Studios, and The Mill. Nine sponsors and 12 strategic partners were secured including Coutts, Shaftesbury Estates, Soho Estates, UKTI, and the Government's GREAT Britain campaign. A young people's day for over 100 young people involving local schools was also held. Coverage of Soho Create before and during the festival was secured in over 70 media channels, many of which referenced the Council's integral role in the venture.

Achievements in Quarter 1

Better City, Better Lives

- ✓ The delivery of Piccadilly two-way is progressing well. As a result of savings achieved from the introduction of the new transport contracts the scope of the project has been increased. The increased works will not impact on the completion time for Phase 3.

Key service deliverables and performance indicators

Performance against targets in Built Environment is delivering well. The targets for determining major and minor applications are both being met. With 63% of major applications being determined within 13 weeks, against a target of 60%, and 66% of minor applications being determined within 8 weeks, against a target of 65%.

- ✓ The new transportation contracts started on 1st April 2014 have been mobilised over the first quarter. They are progressing well, but some of the performance data collected has been skewed as a result of the change in contracts and some of the data is not currently available in the right format to produce a meaningful performance update, but these issues will be rectified in the quarter two report.

Areas for attention










Key service deliverables and performance indicators

- ⚠ All deliverables for the Built Environment portfolio are currently on track. The only slippage has been for the milestones to complete phase 2 of the Piccadilly Two Way Scheme at Lower Regent Street. This work has been delayed by three weeks, but is due to be completed in quarter two. All of the other deliverables for the phase 2 of Piccadilly Two Way Scheme are on track for delivery by deadline.
- ⚠ The percentage of 'other applications' processed within eight weeks was 66% in quarter one, which did not meet the target level of 80% and is a reduction in performance from 70% at the end of 2013/14. Additional staff are being appointed by externally funded stakeholders in order to address this issue and bring performance back on track.

4.3 TRI-BOROUGH CHILDREN'S SERVICES

Overall Performance




Children's Services have performed well in the first quarter of the new financial year, with no service priorities being off track to be delivered by deadline. Just two deliverables and two performance indicators were off track at the end of June. Details of this and overall performance of the Children's Services Portfolio can be found below;

6 Service Priorities		5 (83%) service priorities have been delivered, or are on track for delivery		1 (17%) of service priorities have are slightly off track for delivery		No service priorities are off track for delivery by deadline
26 Deliverables		1 (4%) deliverable has been completed		23 (88%) are on track to be delivered on time		2 (8%) did not meet target levels for the quarter
11 Performance indicators*		1 (9%) target has been achieved		8 (73%) are on track to be achieved by deadline		2 (18%) are off track to be delivered by deadline

*Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.

Delivery against priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment on how the service delivered its priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
1 Enable all children and young people to live safely, and ensure that they are not at risk of harm	 4 Deliverables – All on track 4 Indicators – 3 On track and 1 off track
2 Children in care and care leavers are safe, healthy and succeed	 4 Deliverables – 3 On track and 1 off track
3 Children and young people with additional needs have improved opportunities and choice	 4 Deliverables – All on track
4 Enabling all children and young people to achieve	 12 Deliverables – 1 Complete, 10 on track, 1 off track 2 Indicators – 1 Achieved and 1 on track
5 Children with complex education, health and care needs are given the maximum opportunities to enhance the quality of their life and are safe	 1 Deliverable – On track
6 To improve the life chances and wellbeing of children and young people in need	 1 Deliverable – On track 5 Indicators – 4 On track and 1 off track

Achievements in Quarter 1

Better City, Better Lives

- ✓ Children's Services are on track to deliver their Better City, Better Lives commitment to provide 886 free day care opportunities for two year olds in 2014/15. The current Department for Education (DfE) termly data release identifies that there are 675 families in Westminster who will meet the requirement for free day care in September 2014. This is significantly lower than the previous DfE estimate of 886 families, which has been refined due to improved accuracy in the data collection. This means that there are currently sufficient places to meet demand and the turnover in the autumn 2014 term will ensure that many more eligible families will be able to access free day care. In addition to this, capacity building, especially with schools, continues to focus on creating additional places for the spring 2015 term onwards.

Achievements in Quarter 1

Key service deliverables and performance indicators

- ✓ The proportion of children in year 6 in Westminster schools who achieve or exceed Level 4 in reading, writing and mathematics in Standard Attainment Tests [SATs] has increased from 79% in 2013 to 85% in 2014. This exceeds the target level of 79% set for this year.
- ✓ Westminster Council committed to providing 240 extra primary school places and 60 extra secondary school places in 2014/15, to ensure that there were enough to keep up the pace with projected demand. In September 2014 the new ARK Atwood premises will open, providing primary school places for 420 pupils. The programme will also deliver 60 new secondary places by September 2014, working towards the target of 435 new places by 2017.

Areas for attention

Key service deliverables and performance indicators




- ⚠ The target to reduce the number of 14-17 year old to come into care has not been met, with a performance of 71% against a target to reduce on the 2013/14 level of 54%. Since April 2014, 15 (60%) of the 25 of young people coming into care were aged 14-17 years. During May-June 2014 there have been a number of secure remands which has led to an increase in our Looked After Children (LAC) numbers. Work is being done to review the cases of the adolescents that became LAC since April, to evaluate whether their move into care could have predicted, and if any interventions would have been possible.
- ⚠ In quarter one 9.1% of children in Westminster were subject to a child protection plan for the 2nd or subsequent time, this was an increase on the 6.1% performance at the end of 2013/14 and did not meet the target level of 5% set for the financial year. This equated to three children, from a total of 33. Because the volumes were so low, this has resulted in a high percentage, but it is anticipated that as the total numbers increase over the year, the percentages reported will increase and meet the target levels set.

4.4 HOUSING, PROPERTY, REGENERATION AND LIBRARY SERVICES




Overall Performance

Please note Libraries progress updates against service deliverables are not available for this report. A supplement to this report will be provided once information is released. The summary table below only provides progress updates against the Housing and Property services.




There has been good progress against the Housing and Property business plan deliverables, BCBL activities and performance indicators in quarter one. Four of the seven service priorities for the area are on track, and the remaining three priorities are slightly off track. The full details of the performance of the Housing and Property Services can be found below;

7 Service Priorities*	 4 (57%) service priorities have been delivered, or are on track for delivery	 1 (14%) service priority is slightly off track for delivery	 2 (29%) service priorities have missed some of their milestones or are off track for delivery by deadline
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**Note: there are 12 priorities against this portfolio. It is not possible to make an assessment against the remaining 5 priorities as libraries data is not available.*

30 Deliverables*	 1 (3%) deliverable has been completed	 22 (74%) are on track to be delivered on time	 7 (23%) did not meet target levels for the quarter
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**Note: there are 63 deliverables against this portfolio. No update provided on the remaining 33 libraries deliverables.*

5 Performance indicators*	 No target levels have yet been achieved	 3 (43%) are on track to be achieved by deadline	 2 (29%) are off track to be delivered by deadline
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**Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.*

Delivery against priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment on how the service delivered its priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
> Housing	
1 Providing homes for those in need	 5 Deliverables – All on track 1 Indicator – Off track
2 Renewing neighbourhoods and estates	 11 Deliverables – 9 On track and 2 off track
3 Improving quality of life, protecting vulnerable people and supporting people to make their own housing and life choices	 5 Deliverables – 1 Complete and 4 on track 1 Indicator – On track
4 Providing high quality and value for money services to residents	 4 Deliverables – 2 On track 2 off track
> Property Management	
5 Identification of development opportunities within the Investment Portfolio	 2 Deliverables – Both off track 2 Indicators – 1 On track and 1 off track
6 Providing a better working environment for Westminster City Council staff	 1 Deliverable – Off track
7 Delivery of capital projects throughout the year to budget	 2 Deliverables – Both on track

Service Priority		Aggregated Assessment	
> <i>Tri-borough Libraries and Employment</i> (progress updates against service deliverables are not available for this report)			
8	Existing services maintained while delivering Tri-borough savings	TBC	5 Deliverables – waiting for updates from Library Service 1 Indicator – On track
9	A comprehensive range of reading, learning and wellbeing opportunities available to the public	TBC	6 Deliverables – waiting for updates from Library Service
10	Improve usage and awareness of library and archive services through an enhanced programme of events, class visits and health promotion activities at all libraries	TBC	9 Deliverables – waiting for updates from Library Service
11	Support local entrepreneurs, business startup, job seekers and people wanting to upgrade their skills with access to learning resources, advice and guidance	TBC	6 Deliverables – waiting for updates from Library Service
12	Develop a model for the library of the future that responds to technological change, customers and residents' needs	TBC	7 Deliverables – waiting for updates from Library Service

> HOUSING AND PROPERTY SERVICES

Achievements in Quarter 1

Better City, Better Lives

- ✓ Work has continued with the Housing Renewal Programme, which will continue to put residents and stakeholders at the centre of decision making processes. We met our pledge of holding a vote for the Westbourne Housing Renewal programme and although residents voted against Westbourne Green proposals, the Pledge to Vote campaign reached almost 1,400 pledges and there were 90 visitors to the vote exhibition; the actual voter turnout being 855.
- ✓ In Church Street, the Luton Street contract award has been agreed and the work is on track to appoint the preferred developer in September. Residents were invited to score the bids and engage with the shortlisted developers.

Key service deliverables and performance indicators

The results of the Annual Management Survey have recently been published, and they found that 90% of tenants were satisfied with the service provided by CityWest Homes, an all-time high rating.

As part of Westminster Council's new housing strategy workshops have been carried out on intermediate housing and worklessness.

30 spot acquisitions achieved in quarter 1, an excellent start towards achieving the two year target of 56 spot acquisitions by 2015/16. These WCH spot acquisitions will assist the Council with its housing needs linked to Housing Renewal programmes. Further spot acquisitions for social rented use will be purchased directly by the City Council in 2014/15. These acquisitions will also assist the Council with Housing Renewal programmes.

Planning consent achieved at 291 Harrow Rd and the Cabinet Member has given approval to proceed with the land transfer and for the funding arrangements to develop 27 supported housing units for people with learning difficulties and 64 affordable rent units. Exchange and land transfer expected at end of quarter 2.

Nearly 80 properties provided by two nightly booked suppliers are being transferred to a more cost effective, longer term leasing scheme and negotiations are ongoing with other suppliers. However, the high level of homelessness demand continues to be a challenge, and currently the demand for affordable private sector properties is not being met.

Areas for attention

Key service deliverables and performance indicators

- ⚠ The vote on the Westbourne Green regeneration proposals was not successful, and so the renewal proposals will now not go ahead. Instead resources will be focussed on delivering in those areas that have had a positive vote.
- ⚠ The target to deliver 478 new affordable homes in Westminster in the next two years was rated as off track at the end of quarter one. This is due to the delays in the Merchant Square scheme which will provide 42 new affordable housing units (mainly consisting of intermediate housing), this work is now expected to be delivered in quarter two.
- ⚠ For 2014/15 the target is to increase the revenue of the investment portfolio by 3% from the 2013/14 level, £28.7m. However, in the first quarter of the year the revenue has actually fallen to £28.3m and so is off track. The target remains at risk because the income growth is dependent on further rent reviews being agreed.

> LIBRARIES AND ARCHIVES

Libraries data and progress updates against service deliverables are not available for this report

Achievements in Quarter 1

Key service deliverables and performance indicators

- ✓ In quarter one the number of visitors to libraries in Westminster exceeded target, with 538,238 visits against a target of 531,652 for the period. This means that 24.7% of the 2,181,959 target for the year has already been achieved.
- No updates received for progress against business plan deliverables for libraries at quarter 1.

Areas for attention










Key service deliverables and performance indicators

- ⚠ Whilst the number of library visits have exceeded target, the number of books issued and the number of library members are lower than anticipated. In quarter one 538,238 books were issued, against a target of 517,256 and there were 72,051 active library members against a target of 73,883. This may be due to the movements to the new Library Management System for Tri-borough Libraries which took place in May and early June. During this time no new materials were received for over 3 weeks, item renewals were limited, and it is suspected that some data was lost whilst sites were off line. But this information will continue to be tracked to ensure that performance improves. Whilst the number of books issued and the number of active library members are not part of the key indicators captured in this quarterly report, the trends will continue to be tracked and will be reported on under an exceptional basis.
- ⚠ Luxborough Library will not start on site in quarter 2 as expected. At this stage, the council has not been able to agree terms, and to enter into contract with the preferred bidder.
- No updates received for progress against business plan deliverables for libraries at quarter 1.

4.5 TRI-BOROUGH PUBLIC HEALTH SERVICES

Overall Performance







Tri-borough Public Health have performed well in the first quarter of the new financial year, with no service priorities being off track to be delivered by deadline. Just 4 deliverables and one performance indicator were off track at the end of June. Details of this and overall performance of the Public Health Portfolio can be found below;

6 Service Priorities		5 (83%) service priorities have been delivered, or are on track for delivery		1 (17%) of service priorities have are slightly off track for delivery		No service priorities are off track for delivery by deadline
73 Deliverables		8 (11%) deliverables have been completed		61 (84%) are on track to be delivered on time		4 (5%) did not meet target levels for the quarter
4 Performance Indicators		No target levels have yet been achieved		3(75%) are on track to be achieved by deadline		1(25%) are off track to be delivered by deadline

**Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.*

Delivery against priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment on how the service delivered its priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
1 Address the determinants of health and well being and reduce health inequalities where people live and work	 13 Deliverables – 2 Complete and 11 on track
2 Help people to live healthy lifestyles and make healthy choices, starting as early as possible and providing life-long support	 37 Deliverables – 4 Complete, 29 on track and 4 off track 4 Indicators – 3 On track and 1 off track
3 Protect the population’s health from major incidents and other threats	 6 Deliverables – All on track
4 Build personal and community resilience and improve the quality of caring services offered	 4 Deliverables – 1 Complete and 3 on track
5 Develop teaching, training and academic rigour in Public Health practice, as a local and national resource	 9 Deliverables – 1 Complete and 8 on track
6 Spending Council resources wisely	 4 Deliverables – All on track

Achievements in Quarter 1

Key service deliverables and performance indicators

- ✓ Reducing childhood obesity across the three boroughs is a key priority for the service. To achieve this, plans are being developed across the three boroughs and current contracts in place that support families and children to have a healthy weight and improve health and wellbeing are being closely monitored by the service to ensure targets are achieved. In quarter one, 203 adults and children attended obesity prevention programmes. We anticipate exceeding the target of 570 set for the year.

Achievements in Quarter 1

- ✓ Working with Tri-borough Children's services we have successfully procured and integrated Early Years Parenting and Early Help service to support the homeless and vulnerable families across the three boroughs.
- ✓ The Healthy Homes contract is now in place this is the collaboration between the Environmental Health service in RBKC and LBHF, Tri-borough Public Health and local voluntary groups. It provides a range of services for local residents including energy efficiency advice and tips on keeping warm; help to access appropriate benefits, discounts and grants. Implementation of new commissioning arrangements has commenced which will provide public health expertise, intelligence and investment of £80,000 to improve housing conditions across the three boroughs for families living in temporary and overcrowded homes.
- ✓ NHS health Check pods (mobile health clinic) have been rolled out across the three boroughs to support and relieve pressure on GP practices and to increase the number of health checks delivered to our residents and thereby signposting residents with a high risk of developing cardio vascular disease (CVD) into local services.
- ✓ Multi-agency action plans are in place to invest in activities and support children aged 5-19 years and families to improve their oral health and reduce inequalities; and embed oral health within wider children's and public health.

Areas for attention

Better City, Better Lives

- ⌘ For 2014/15 the smoking cessation target is 2,772 quitters. At the end of quarter one, provisional results show 609 people set a quit date through NHS Stop Smoking Services. At the 4 week follow-up just 340 people had successfully quit smoking (based on self-report), 55% of those setting a quit date. From January 2014 a new service was commissioned that provides a wider range of provision and better value for money. To increase the number of quitters the service has increased number of advisors; undertaken intensive work with GPs and a target has been set for GP clinics. They have also completed an initial 'Busting the myth' smoking campaign around the common misconceptions held about smoking, with a view to reviewing the barriers preventing smokers from 'kicking the habit'.










Key service deliverables and performance indicators

- ⌘ The deliverable to review our Domestic Violence programmes with Community Safety services and to redesign and integrate services where possible to improve quality and reduce costs is now on hold. This is because further work needs to be done to ensure this is linked with the Tri-borough review of Violence against Women & Girls. This deliverable will now be completed by June 2015 instead of October 2014 as agreed initially.
- ⌘ Public Health have a commitment to increase the provision of school nursing services provided to the most vulnerable children and those with medical needs. Commencement of the programme to redesign school nursing services by June 2014 has slipped. The procurement timetable has changed to commence from September 2014 due to capacity issues within the team. An additional commissioning post is being advertised currently within the team to mitigating this.

4.6 CITY MANAGEMENT, SPORT AND LEISURE

Overall Performance







The City Management Service has had a strong start to the year, with no service priorities off track by the end of the first quarter. Out of the 144 deliverables for the area only 2 (1%) are off track to be delivered by deadline. The full details of the performance of City Management Services, including Sports, Leisure and Wellbeing can be found below;




11 Service Priorities 	11 (100%) service priorities have been delivered, or are on track for delivery		None of service priorities have are slightly off track for delivery		None of service priorities are off track for delivery by deadline
144 Deliverables 	7 (5%) deliverables have been completed		135 (94%) are on track to be delivered on time		2 (1%) did not meet target levels for the quarter
16 Performance Indicators 	No target levels have yet been achieved		15 (94%) are on track to be achieved by deadline		1 (6%) are off track to be delivered by deadline

**Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.*

Delivery against priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment on how the service delivered its priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
<i>> City Management Services</i>	
1 Delivers world class city management through the commissioning of services such as: clean and green, waste services, parking, highways, street and premises management issues	 6 Deliverables – All on track 5 Indicators – All on track
2 Improve feelings of public safety and community confidence by using a neighbourhood approach to tackle anti-social behaviour, reduce fear of crime and improve the local environment	 21 Deliverables – All on track
3 To make it fair, easy and safe to park in Westminster	 5 Deliverables – All on track 2 Indicators – All on track
4 Deliver better value, more accessible and more responsive services by working with statutory, private and third sector agencies and with the customers themselves	 16 Deliverables – 1 Complete and 15 on track
5 Support business compliance, help reduce regulatory costs to businesses and deliver effective regulatory interventions	 16 Deliverables – 2 Complete and 14 on track 4 Indicators – 3 On track and 1 off track
6 Provide clean, green, safe, clear, attractive and vibrant public spaces, sports facilities and outdoor activities	 6 Deliverables – All on track 4 Indicators – All on track

Service Priority		Aggregated Assessment	
<i>> Sports, Leisure and Wellbeing</i>			
7	Provide and promote attractive sport and physical activity opportunities for the whole community		21 Deliverables – 2 Complete and 19 on track
8	Increase and extend the range and quality of facilities, active places and spaces		16 Deliverables 15 On track and 1 off track 1 Indicator – On track
9	Increase competitive opportunities and improve sporting 'pathways' from playgrounds to podiums		11 Deliverables – 1 Complete and 10 on track
10	Develop 'workforce' capacity through volunteering, education, training and employment opportunities		7 Deliverables – All on track
11	Maximise the value and opportunity of collaborative working between all partners		19 Deliverables – 1 Complete, 17 on track and 1 off track

> CITY MANAGEMENT SERVICES

Achievements in Quarter 1

Better City, Better Lives

All Better City Better Lives deliverables that are led by Community Protection are on track to be delivered by their agreed deadlines. The project board focusing on Civic Enforcement Tools will meet in August, and training will be rolled out to staff shortly afterwards. In addition, the inaugural Safer Neighbourhood Board has been held and the Prevent strategy is progressing well.

Work to install more than 3,000 parking bay sensors across the West End is nearing completion, with the testing of the communication network in the final stages. The launch of the network and release of the real-time parking availability is scheduled for the end of September. Following an assessment of this first phase, installation of a further 7,000 sensors is to be considered for roll out across the rest of the City, making Westminster the first local authority to roll this technology out across its entire road network.

Key service deliverables and performance indicators

- ✓ Overall compliance measured across all roads within Westminster now stands at 98.63%; these results are taken from the survey completed in April'14. This represents a slight reduction of 0.4% since the last survey was carried out in October'13. This high level of compliance is linked to the Parking Service's continued commitment to reduce PCN issue by the introduction of our new Marshalling approach that focuses in changing customer behaviour.

Notable successes so far this year include city-wide plans to tackle Mayor's Office for Policing and Crime (MOPAC) priorities, integrated work with the police to focus on issues specific to the Leicester Square area, and the establishment of the Safer Neighbourhood Board.

- ✓ Everything proceeds on track for the Waste and Parks Team. 23 Green Flags have recently been awarded to Westminster's Parks and Open Spaces; this is the second highest total in the UK after the London Borough of Hillingdon. The Britain in Bloom judging has taken place, although these results will only be announced in quarter three.

Areas for attention

Better City, Better Lives

- ✘ The Licensing Protocol project is working to implement a licensing fee system based on greater cost recovery and maintain the high standards of licensing services for businesses and communities. This is currently off track whilst awaiting the Home Office (HO) to publish a locally set fee structure on the back of the consultation which closed 10th April 2014. No timeframe has been set for the publication.

Key service deliverables and performance indicators

- ✘ The target to improve the street environment by reducing the level of detritus has not met the target, 6.3% against a target of 3%. Robust action is being taken to improve street environs, including the provision of additional litter bins in key locations and by maintaining the investment in street sweeping and refuse collection. This is a key focus to ensure that Westminster retains the hard-won reputation for high standards of cleanliness.
- ✘ The recovery rate of fixed penalty notices (FPNs) issued through waste enforcement activity is off track in the first quarter, with a performance of 75.2% against a target of 80%. The recovery rate is being impacted by the poor payment levels for fixed penalty notices for failing to comply with a waste transfer note (CN12.) Work is being done to regularise the prosecution protocols and it is anticipated that this will improve recovery rates in the coming months.

> SPORTS AND LEISURE

Achievements in Quarter 1

Better City, Better Lives

- ✓ All of the Sports, Leisure and Wellbeing BCBL activities and projects are on track for delivery. In particular positive progress is being made with the capital programme including the delivery of the major Active Queens Park regeneration scheme. Sports development programmes are also being delivered to target with positive outcomes being achieved in PE and School Sport in particular. Service standards and indicators across the facilities, including the Sayers Croft Centre remain strong.

Key service deliverables and performance indicators

- ✓ There have been just over 1 million visits recorded to the sports and leisure centres in Westminster in quarter one of the year, this is 29.6% of the full year target. This means that the centres are on track to exceed the annual target of 3.6 million visits this year. In addition there have already been 9,600 visits to the Sayers Croft Centre, which is a third of the annual target.
- ✓ There are already 75 registered athletes on the 'Champions of the Future Programme', this is 78% of the full year target, and includes two athletes who medalled at the Commonwealth Games.
- ✓ 59 sports clubs in Westminster have received accreditation through the 'ActiveWestminster Mark' programme, this is 98% of the full year target.
- ✓ Little Venice Sports Centre was awarded the 'Leisure Centre Of The Year' award in the prestigious national UK Active Flame Award, which recognise leisure centres, health clubs and group operators that have demonstrated exceptional standards across their operation.

Key service deliverables and performance indicators





- ⌘ Due to a miscommunication between the Sports and Leisure Team and the Parks Officers, Paddington Recreation Ground was not entered into the Green Flag Awards competition by the deadline of May 2014. The site standards meet Green Flag criteria and the site is recognised as one of the best recreation grounds in the country, this issue will be addressed in 15/16.
- ⌘ Work is off track to investigate the feasibility of a major redevelopment of the Westminster Boating Base site to promote increased and more varied use for water activities and adventurous activities. Work has been done to engage with the current tenant but it is unlikely that the feasibility work will be progressed in 2014/15 due to the length of the current tenancy and uncertainties around the proposed new pedestrian bridge across the Thames which might affect the site location.
- ⌘ Whilst participation in sports development programmes remains high and the targets are on track for delivery, there have been problems in the first quarter with capturing the monitoring and evaluation information for quarter one. This will be addressed in September, so that reporting against this indicator can recommence in quarter two.

4.7 CORPORATE SUPPORT SERVICES

Portfolios Includes Westminster Corporate Services and Tri-borough Corporate Services

Overall Performance

The table below shows a quick at a glance summary of how each service in the Corporate Support Services Portfolio is delivering towards service priorities, business plan deliverables and performance indicators. A more detailed analysis is available in each of the service sections below.

Corporate Services	Service Priorities	Deliverables	Performance Indicators
Finance, Operations and Tri-borough Procurement  <i>See Page 23</i>	Of the 8 service priorities , 4 are on track to be delivered and 4 at risk of failing to deliver	35 deliverables reported; 1 3 Complete 1 29 On track to be delivered 1 3 Off track	5 indicators reported; 1 3 On track to and 1 2 At risk of missing target
Tri-borough Human Resources  <i>See Page 25</i>	The 1 service priority is currently at risk of failing to deliver	28 deliverables reported; 1 2 Complete 1 25 On track to be delivered 1 1 Off track	4 indicators reported; 1 1 On track to and 1 3 At risk of missing target.
Democratic Service and Tri-borough Legal Service  <i>See Page 26</i>	All 4 service priorities have been delivered, or are on track for delivery	19 deliverables reported; 1 3 Complete 1 16 On track to be delivered	No indicators reported.
Strategy and Communications  <i>See Page 27</i>	All 7 service priorities are on track to be delivered	137 deliverables reported; 1 11 Complete and 1 117 On track to be delivered 1 9 Off track	1 indicators reported; 1 1 On track Majority of indicators that fall under this portfolio are from surveys. Data for these will be available in late September.









**Note: availability of data for some indicators vary throughout the year, data for indicators provided by the service have been reported.*

Delivery against service priorities

Progress updates provided by services against their business plan deliverables and indicators have been used to make an aggregated assessment (status column below) on how each service is delivering its priorities at the end of the first quarter of 2014/15.

> FINANCE, OPERATIONS AND TRI-BOROUGH PROCUREMENT

Services covered; Corporate Finance, Corporate Complaints, Tri-borough Treasury and Tri-borough Procurement.

Service Priority	Aggregated Assessment
<i>> Tri-borough Treasury (Part of Tri-borough Corporate Services)</i>	
1 Explore opportunities to generate and maximise income on current activities and possible implementation of new income generating activities	 4 Deliverables – 1 Complete and 3 on track 1 Indicator – On track
<i>> Strategic Finance</i>	
2 Seeing the strategic picture – focusing on the best way of achieving outcomes	 4 Deliverables – All on track
3 Building professional and capable teams in a way that is consistent with the Tri-borough values	 8 Deliverables – All on track
4 Operating competently – Supporting decisions for the greatest good	 3 Deliverables – All on track
5 Support and embed the Council's change programme	 5 Deliverables – 1 Complete, 3 on track and 1 off track
6 Improve corporate finance operations to achieve better outcomes for residents, business and taxpayers	 3 Deliverables – All on track 2 Indicators – 1 On Track and 1 off Track
<i>> Corporate Complaints</i>	
7 Improve corporate complaints operations to achieve better outcomes for residents, business and taxpayers	 2 Deliverables – 1 Complete and 1 off track 2 Indicators – 1 On track and 1 Off Track
<i>> Tri-borough Strategic and Commercial Procurement (Part of Tri-borough Corporate Services)</i>	
8 Improved organisational performance and procurement effectiveness	 6 Deliverables – 5 On track and 1 off track

Achievements in Quarter 1

Key service deliverables and performance indicators

Commercial Procurement

- ✓ Notable achievements for the Strategic and Commercial Procurement team in quarter 1 of 2014/15 include much greater spend visibility, which has been enabled by the Capital ESourcing module. The Responsible Procurement Strategy has also been developed, and staff development is taking place to train staff on the new developments in EU procurement directives.

Achievements in Quarter 1

Corporate Complaints

- ✓ The timescale for responding to complaints at stage 2 has been successfully reduced from 15 to 10 working days. At quarter one 73% of all stage 2 complaint responses were completed within 10 working days, a marked improvement on last year.

Tri-borough Treasury

- ✓ The service has successfully delivered the 2014/15 Treasury Management Strategy, this sets out the management of the councils investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- ✓ At the end of quarter one the income generated from the Investment Portfolio stands at £1.2m. If the current performance level is maintained quarter on quarter by year end we would exceed the target of £4.1m for 2014/15. Therefore the target to increase the income year on year will be achieved.

Strategic Finance

- ✓ At the end of quarter one, a significant number of savings plans are in place to deliver on the £23.3m savings target for the year. To date, 39% of plans have either been completed or are being implemented to deliver £9.1m and 44% of plans are in place to deliver £10.2m. However there are no plans in place to deliver £4.1m of the savings target. The Business Development team hold monthly meetings with Finance Business Partners and Service Areas to assess the robustness of delivery plans for all savings initiative.

Areas for attention

Key service deliverables and performance indicators

Commercial Procurement


- ⚠ The deliverable in the Procurement portfolio to improve the capability of procurement at Westminster Council has been assessed as off track at the end of the first quarter. This is because a number of milestones associated with the deliverable have been delayed due to the Tri-borough reorganisation, but are expected to be completed in quarter three.

Corporate Complaints

- ⚠ The deployment of the new complaints and correspondents system has been delayed. The transition to the new SharePoint system did not go live as there were delays due to unforeseen technical issues. These issues are currently being resolved and the system should be available to all service users by the end September.

Strategic Finance

- ⚠ At the end of quarter 1, service areas are projecting an overspend of £1.7m against the net budget position of £211m for the council. The overspend is because of continued pressure within Housing relating to temporary accommodation costs due to higher temporary accommodation volumes and higher spot rates than Budget. There is also a shortfall on Registrars weddings income which is a consequence of the loss of Council House as a venue.

Service Priority	Aggregated Assessment
> Human Resources (Part of Tri-borough Corporate Services)	
<p>1 Work in partnership with managers and teams to attract, retain and develop a diverse workforce in order to support the council in achieving its aims and meeting its budget responsibilities and challenges</p>	 <p>28 Deliverables – 2 Complete, 25 on track and 1 off track 4 Indicators – 1 On track and 3 off track</p>

Achievements in Quarter 1

Better City, Better Lives

As part of the BCBL ambition for school leavers and adults with barriers to work to be better able to enter employment, an apprentice programme was launched in mid-July. Since April, Westminster Council has recruited two additional apprentices and 10 interns. The supported employment project also continues to progress, and a launch event is to be held for this in October, departmental representatives have now been identified and to date five placements have been offered.

The Human Resources team has continued to support the projects and activities linked to the ambition: *Enterprising and sustainable local public services that make our funds go further*. This has included playing an active role in the Tri-borough Corporate Services project.

Key service deliverables and performance indicators

The Better Together project has continued to increase engagement throughout the business and the renewal of the Corporate Induction has received positive feedback. The procurement of the new Pension contract and the Premises Controllers project continue to progress well. The Schools HR service is now Tri-borough and is based in Hammersmith and Fulham. The team has also maintained support to the business in the areas of policy, health and safety, data requests, reporting and employee relations whilst managing multiple additional projects.

The level of staff turnover, excluding redundancies, remains within target level at just 10.3% of the workforce.

Areas for attention

Key service deliverables and performance indicators

- ⚠ The deliverable to develop phase one of the Tri-borough Pay and Reward strategy has been rated as off track for the first quarter. This is because three of the six associate milestones for the deliverables have not been met or have had to have their delivery date amended because of the Managed Services Project implementation being deferred. This has also impacted on other projects such as the Tri-borough Learning Management System. Changes in administration in Hammersmith and Fulham Council may also cause delays in obtaining approval for the Tri-borough Corporate Services project and the development of a Tri-borough Pay and Reward Structure.
- ⚠ The average number of sickness absence days per employee has increased by almost one day in quarter one to 6.5 days per person. However, when looking at 12 month rolling sickness absence averages these remain below target at 5.6 days and in 2013/14 Westminster had the joint lowest sickness levels out of all London Boroughs.





Both the cost and number of Temporary Agency Contractors (TACs) continue to increase. The total cost for the rolling year to the end of June was £16.7 million compared to £15.1million for the rolling year to the end of March and exceeding the target of £12million. The number of TACs has increased to 350 engaged in the month of June compared to 345 engaged in March, this is still a long way off the target of 300 TACs. TAC usage has been highlighted as an area for urgent action within the business. Addressing these two indicators remains a priority for business areas, with work being done to move TACs to fixed term contracts wherever possible. The table below provides a breakdown of TAC numbers and costs by Service Area funded by Westminster at the end of June 2014.

Rolling year totals reported	2013/14		2014/15 Qtr 1	
All Services	345	£15.1m	359	£16.7m
<i>Corporate Services</i>	100	£6.20	103	£7.1m
<i>City Management</i>	76	£3.6m	75	£4.0m
<i>Adult Social Care (includes public health)</i>	117	£2.5m	128	£2.9m
<i>Built Environment</i>	27	£1.4m	24	£1.4m
<i>Housing, Regeneration and Property</i>	8	£0.7m	9	£0.7m
<i>Children & Young People</i>	17	£0.7m	20	£0.6m

To mitigate the rising cost and number of TACs, the following actions were agreed at SEB and are currently being implemented. These actions include:

- There should be clear **resource planning** for the workforce needs over the following year, linked to the business plan. Where expansion is predicted or new projects are anticipated, plans should be in place for recruitment. The Resource planning should encompass succession planning, so that when resignations occur, opportunities are presented for internal movement.
- **All Unit Directors** must have an **action plan** for reductions in TAC usage and spend over the remainder of the financial year, quarter by quarter. Departments not taking active steps to reduce TAC usage and spend could be limited in terms of the engagement of further TACs. These action plans will be reviewed regularly by SEB Directors.
- **Regular reporting** to and **monitoring** by DMTs are essential so that discussions and challenges can occur on TAC usage and spend. The reporting should also set out the detail between expensive, specialist TACs and more administrative TACs in more generic roles. The usage of TACs for maternity cover should not occur (as there is sufficient time to plan for an interim replacement) and alternatives for roles in excess of 3 months, such as fixed term contracts, should be explored.
- **Alternatives to the engagement of TACs** must be explored and justification given, as part of the DMT reporting, when TACs are used. Opportunities should be sought for secondments, internal temporary transfers, acting up, fixed terms, apprentices and interns in the first instance. Moreover, in light of the requirement for considerable savings across the Council, consideration should be given to the reallocation of duties, rather than the filling of all vacant posts.
- **Authorisation levels** must be set at different levels for an initial TAC request (at the band rate), for a specialist TAC requiring a higher rate than the equivalent band (with a business case) and for extensions to TAC usage. The manager's manager should authorise TAC usage at "rate card", while CLT sign off should be required for specialist TAC usage above "rate card" and for extensions. SEB authorisation should be introduced for multiple TAC engagement e.g. for large projects.
- **Guidance document** on TAC usage, the authorisation process and business case criteria, and advice on alternatives, must be set out. TACs for BAU reasons, including career break coverage, secondments and internal temporary transfers, all of which could be covered through fixed term appointments, often at a lower cost, should not be permitted. Where an exception is required, it should be accompanied by a business case with CLT authorisation. TAC usage needs to be more tightly defined so that better value for money is achieved.

> DEMOCRATIC SERVICES AND TRI-BOROUGH LEGAL SERVICE

Service Priority	Aggregated Assessment	
<i>> Tri-borough Legal Services (Part of Tri-borough Corporate Services)</i>		
1 Provide a comprehensive, quality and cost effective legal service and ensure actions taken by the Council fall within its statutory powers. This includes providing a high quality, responsive and flexible service to external clients		9 Deliverables – All on track
<i>> Electoral Services Support</i>		
2 Ensuring that electors within the City are properly able to exercise their democratic rights at elections and in other ballots and will help to preserve the legitimacy of democratically elected bodies delivering on behalf of residents and businesses		2 Deliverables – All on track
3 Ensuring that customers receive a value for money, speedy and accurate response to their local land charges search requests for property information.		2 Deliverables – All on track
<i>> Democratic Services</i>		
4 Ensuring that the democratic decision-making functions of the Council are managed and administered efficiently and in accordance with the proper legal processes and adherence to correct governance protocols		6 Deliverables – 3 Complete and 3 on track








Achievements in Quarter 1

Key service deliverables and performance indicators

- ✓ Legal Services have made progress towards delivering a Tri-borough Legal service. A target operating model has been completed and submitted for consideration.
- ✓ Following a rigorous assessment of the way in which the Committee and Governance Service operates, a new committee management system was successfully procured, implemented and embedded to drive forward efficiencies, streamline working practices and improve the service delivered to our ‘customers’ including Members, officers and the public. The service has also provided democratic training and induction to new senior council officers and has worked with HR to improve the induction process for SEB/CLT Members and other senior staff in respect of the Council’s governance/democracy.
- ✓ Local, European, and Queen’s Park Community Council elections were delivered on 22 May 2014. The elections were legally uncontested.
- ✓ Individual Electoral Registration was introduced on 10 June 2014 and, as part of the transition, matching of the electoral register with other records was completely successfully. Westminster’s Electoral Services met the performance standards set by the Electoral Commission to support Electoral Registration Officers in planning for and delivering the transition to Individual Electoral Registration.

> STRATEGY AND COMMUNICATIONS

Progress updates provided by Strategy and Communications against their key activities for the year, the 13 audience based campaigns and 10 public affair priorities have been used to make an aggregated assessment (denoted by flags below) on how the service is delivering towards its key priorities at the end of the first quarter of 2014/15.

Service Priority	Aggregated Assessment
<p>1 We will deliver communications that improves quality of life across the city and provides the best public service communications in terms of audience ratings, cost effectiveness and peer assessment. <i>[Communications]</i></p>	<p> 52 Deliverables – 7 Complete, 43 on track and 2 off track</p> <p><i>Majority of indicators for this priority from surveys. Data for these will be available in late September.</i></p>
<p>2 Ensure the Council makes evidence based decisions using behavioral, attitudinal, performance and geo-demographic data and insight regarding residents, stakeholders and businesses <i>[Research & Intelligence]</i></p>	<p> 10 Deliverables – 10 On track</p>
<p>3 Supporting successful delivery of the portfolio change across the, aligned to Better City, Better Lives and corporate strategy. Providing project, programme, design and change management services to the council and external customers <i>[Change and Programme Management Unit]</i></p>	<p> 4 Deliverables – 4 On track</p> <p>1 Indicators – On track</p>
<p>4 Deliver on our 13 audience based campaigns through communicating with audience groups and delivery of key activities for 2014/15 <i>[Policy Team]</i></p>	<p> 17 Deliverables – 17 On track</p>
<p>5 By using digital technology, we will ensure that we make a safer, healthier more enterprising and digital city. This means bringing together all our digital and customer channels to optimise customer experience <i>[Digital Team]</i></p>	<p> 3 Deliverables – 1 Complete, 1 on track and 1 off track</p>
<p>6 The policy Team will innovate and push boundaries in the 2014-15 to better support the organisation to deliver growth, public service reform and connected communities <i>[Policy Team]</i></p>	<p> 50 Deliverables – 3 Complete, 41 on track, 5 at risk and 1 off track</p>
<p>7 Support strategic decision making across the council in order to ensure the efficient running of local democracy in Westminster and to facilitate resident access to and engagement with council services and their elected council representatives <i>[Cabinet Secretariat]</i></p>	<p> 1 Deliverable – On Track</p>

Achievements in Quarter 1

Key service deliverables

At quarter one, over 90% of service deliverables are on track or have been achieved. Good progress is being made on the delivery of all 13 audience based campaigns with all key campaign activities either on track or have completed.

Strategy and Communications have successfully promoted and organised a number of key events in Westminster. In particular the Westminster Mile attracting over 5,000 runners, the West End LIVE and other special events, including aspects of the First World War centenary commemorations.

Other Campaigns and publications have also been delivered to support parents and guardians through promoting our services, including Summer in the City campaign, Children First magazine every half term, a monthly e-newsletter, promotion of children centres and a social media pilot was also undertaken to engage parents and young people in council services and what's on in Westminster.

Achievements in Quarter 1

- ✓ Negotiations in respect of the employment aspects of the Growth Deal for London had been led by Westminster's Chief Executive (jointly with the Chief Executive of the London Borough of Islington) on behalf of partners across the Greater London Authority (GLA), Central London Forward and London Councils. This negotiation aims to produce a pioneering agreement regarding the delivery of employment services and the provision of better access to jobs in the growing economy.

Good progress has been made to support public health to develop a Tri-borough action plan which identifies opportunities, and gets buy-in from all departments to tackle childhood obesity. Additional resource has been agreed by department head for childhood obesity programme. Meetings are being held with council departments to identify opportunities for joint working on whole council preventative approach.

Healthwatch Westminster has doubled its membership to 1,500 since last year as a result of specific projects led by the service and contract management shows a broader and stronger range of activity over previous years.

Work is underway with NHS and Metropolitan Police colleagues to raise awareness and support prevention on female genital mutilation (FGM). The Violence against Women and Girls (VAWG) Strategy has now been developed and good progress is being made on the FGM Strategy.

The majority of the existing Change Portfolio programmes are based around transitioning away from Serco, and with the exception of Managed Services Programme (MSP) these transitions (including the Customer and Parking transformation programmes) remain on track for timely delivery. Delivery for MSP has been delayed and is currently in a re-planning phase. The Medium Term Planning Process will generate a number of new programmes which will be incorporated into the Portfolio after SEB approval. The first of these will be programmes to transform Planning and City Management. The other key programme currently being defined is the City Hall Refurbishment programme.

Areas for attention

- The level of performance remains strong for the Strategy and Communication Service, there are no key areas of concern to flag at quarter 1.

APPENDIX 1 - PERFORMANCE INDICATOR ASSESSMENTS

There are a total of 72 performance indicators reported in Quarter 1. These indicators have been chosen as the key areas to monitor and track the performance of Westminster Council for the financial year. As part of the Council's Performance Management Framework, each of these indicators has a clear link to the outcome that the Service area is seeking to achieve, the service priorities and the Better City, Better Lives Year 2 ambitions.

Performance Assessment	
Achieved	Target level has been met
On Track	On Track, Target level will be met
Off Track	Target level is at risk of not being met

Direction of travel Assessment	
Assessment of 2014/15 quarter one performance position compared to last year 2013/14.	
∅	Improving on Last year's position
↔	No change, same as last year's position
⊘	Deteriorating on last year's position
N/A	The performance is not available for 2013/14

TRI-BOROUGH ADULT SOCIAL CARE

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Tri-borough Adult Social Care						
1	Number of people supported in residential care - permanent placements (snapshot)	270	<270	275	Off Track	⊘
	Waiting for service commentary and mitigating actions.					
2	Number of people supported at home (snapshot)	3,953	<3,953	4,125	On Track	∅
3	Number of people supported in nursing care - permanent placements (snapshot)	235	235	234	On Track	↔
4	Permanent admissions of older people (aged 65 and over to residential and nursing care homes, per 100,000 population)	472.7	468.3	144.1	On Track	↔
5	Delayed Transfer of Care from hospital per 100,000, 18+ population (average per month)	225.2	208.1	241.9	On Track	⊘
6	Percentage of people completing reablement who require a core service (home care, day care, direct payments, meals, residential care, nursing care)	New Indicator	80% by yearend	52% (64 of 123)	On Track	N/A
	Target figure to be confirmed. However the service has assessed this as on track.					
7	Percentage of people completing reablement who do not require a service	New Indicator	80% by yearend	39% (84 of 213)	On Track	N/A
	Target figure to be confirmed. However the service has assessed this as on track.					
8	Percentage of know carers who have received an assessment or review	100%	TBC	13.8% (148 of 1,071)	N/A	⊘
9	Percentage of people with a learning disability (aged 18-64) in employment	7.8%	>7.8% by yearend	2.9% (13 of 450)	On Track	↔

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Tri-borough Adult Social Care						
10	Average hourly cost of supporting care at home	£15.90	£15.90	Update available Q4	N/A	N/A
	Data for this indicator will be available at quarter 4. However the cost of care is anticipated to increase due to the new care at home service.					
11	Average weekly cost of supporting a person in residential and nursing care	Residential £807 Nursing £585	<£807 £585	Update available Q4	N/A	N/A
	Data for this indicator will be available at quarter 4.					
12	Customer reported quality of life - Average quality of life score for those that responded to the Adult Social Care Survey	18.6	>18.6	Update available Q4	N/A	N/A
	Data for this indicator will be available at quarter 4.					

BUILT ENVIRONMENT

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Built Environment						
13	Percentage of Other Applications determined within 8 weeks	70%	80%	66% (711 of 1,077)	Off Track	↔
	Additional staff being appointed by externally funded stakeholders in order to address this issue and bring performance back on track.					
14	Average performance against response times for all lighting priorities	TBC	98%	85%	Off Track	N/A
	Because a new contract for these services was introduced at the start of the financial year, this has skewed the performance in quarter 1 and resulted in the target level being missed.					
15	Percentage of Major Applications determined within 13 weeks	78%	60%	63% (5 of 8)	On Track	↔
16	Percentage of Minor Applications determined within 8 weeks	69%	65%	66% (548 of 830)	On Track	↔
17	Number of Planning Appeals determined in favour of Westminster	TBC	66%	67% (53 of 79)	On Track	N/A
18	Total number of planning applications received by the Council	12,573	10,000 by yearend	2,703	On Track	↔
19	Number of Reports of Unauthorised Development (RUDs) investigated and cleared (including breaches ceased and or resolved through direct action)	2,575	TBC	703	N/A	∅
	Target for indicator to be confirmed.					

TRI-BOROUGH CHILDREN'S SERVICES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Tri-borough Children's Services						
20	Percentage of young people coming into care aged 14-17 years	54%	54%	71% (20 of 28)	Off Track	↔
	This indicator has been negatively impacted by the increase in the number of unaccompanied asylum seeking children and the number of secure remands in response to the Pimlico Metropolitan Police activity. Further analysis of the data is being undertaken to determine if any of these new entries into care could have been anticipated, and the findings of this will be available in Autumn 2014 to inform future work.					
21	Percentage of children subject to a child protection plan for the 2nd or subsequent time	6.1%	5%	9% (3 of 33)	Off Track	↔
	Performance against this indicator has been impacted by low volumes in quarter one, however it is anticipated that with increasing numbers over the year performance, the percentages reported will increase and meet target levels by the end of the year.					
22	Percentage of children requiring foster care being placed with Tri-borough foster carers	83%	80%	81%	On Track	↔
23	Number of 16 to 18 year old (years 12 and 13) not in education and training (NEET)	47	37	41	On Track	↔
24	Number of child protection cases	99	<99	88	On Track	↔
25	Percentage of child protection cases ending during the year with a duration of two or more years	6.1%	5% to 10%	0% (0 of 41)	On Track	↔
26	Number of Looked After Children in Westminster	176	179	179	On Track	↔
27	Percentage of children in care with three or more placement moves	9.5%	<10%	1% (1 of 182)	On Track	↔
28	Percentage of children in care in the same placement for at least 2.5 years	81%	81%	76% (47 of 62)	On Track	↔
29	Percentage of re-referrals to social care	17%	<10%	9% (43 of 484)	On Track	↔
30	Percentage of primary pupils achieving Level 4+ in Reading, Writing and Mathematics at KS2	79%	79%	85%	Achieved	∅
31	Percentage of care leavers who are in education, employment and training	67.9%	67.0%	Update available Q2	N/A	↔
	Numbers of care leavers in EET is not yet available for the quarter one period.					
32	Percentage of care leavers who are in suitable accommodation	92.3%	92%	Update available Q2	N/A	N/A
	Data for this indicator is not yet available for quarter one, but a performance update will be available for the next quarterly report.					
33	Percentage of families on the Troubled Families Programme who will have resolved their offending, anti-social behaviour and poor school attendance	40%	50%	Update available Q2	N/A	N/A
	Data for this indicator will be available from DCLG in August, and the performance will be reported in the next quarterly report.					

HOUSING, PROPERTY AND TRI-BOROUGH LIBRARIES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Housing						
34	Number of affordable homes delivered	108	478 over 2 years	35	Off Track	∅
	Because the development of 42 units at Merchant Square has been delayed until quarter two, this target is currently off track.					
35	Rough sleeper numbers to be maintained below 100	85	<100	82	On Track	∅
Property						
36	Increase the total income generated from the councils investment portfolio by 3%	£28.7m	£29.6m	£28.3m	Off Track	↔
	Income growth is dependent on further rent reviews being agreed.					
37	Investment Portfolio – keep the number of void properties below 4%	2.68%	<4%	2.7%	On Track	∅
Tri-borough Libraries and Archives						
38	Visitors to Westminster libraries as a proportion of the target	2,241,261	100% (2,241,261)	24% of target (538,238)	On Track	↔

TRI-BOROUGH PUBLIC HEALTH

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Tri-borough Adult Social Care						
39	Number of adults and children attending obesity prevention programmes	425	>425 by yearend	203	On Track	∅
40	Number of NHS health checks taken up by eligible population	5,260	>5,260 by yearend	1495	On Track	∅
	Stop Smoking Services – number of 4 week quits	2,722	>2,722 by Yearend	340	Off Track	∅
41	2013/14 baseline data from previous provider (CLCH) was erroneous. New provider from January 2014 has increased number of advisors; undertaken intensive work with GPs and a target has been set for GP clinics. They have completed an initial 'Busting the myth' smoking campaign around the common misconceptions held about smoking, with a view to reviewing the barriers preventing smokers from 'kicking the habit'.					
42	Percentage of people presenting with HIV at late stage of infection	20%	20%	24%	On Track	↔

CITY MANAGEMENT, SPORT AND LEISURE

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Waste and Parks						
43	Improved street environmental cleanliness through the proportion of street surveyed for Litter that falls below grade	4.00%	5.00%	5.00%	On Track	↔
44	Improved street environmental cleanliness through the proportion of street surveyed for Detrius that falls below grade	1.00%	3.00%	6.31%	On Track	↔
	Service has indicated performance against this indicator will be on track in Q2.					
45	Improved street environmental cleanliness through the proportion of street surveyed for Graffiti that falls below grade	2.00%	3.00%	1.11%	On Track	↔
46	Improved street environmental cleanliness through the proportion of street surveyed for Fly-posting that falls below grade	0.10%	1.00%	0.32%	On Track	↔
47	Satisfaction with Westminster City Council's Parks and open spaces	92%	84%	92%	On Track	↔
48	The yearly proportion of waste sent for recycling and recover, rather than to landfill.	95%	90%	97%	On Track	↔
49	To maintain the low monthly average of missed waste collection complaints per 100,000	New Indicator	5 per 100,000	5.6 per 100,00	On Track	N/A
Parking						
50	Maintain levels of overall Customer Satisfaction with the Parking Service	87%	87%	87%	On Track	↔
51	Improved parking compliance levels	99.00%	98.70%	98.63%	On Track	↔
Community Safety						
52	Reduce reoffending rates (reduce the proportions of re-arrests) in Westminster	New Indicator	5% (20%)	Update available Q2	N/A	N/A
	Data for this indicator is not yet available for quarter one, but a performance update will be available for the next quarterly report.					
53	Reduction in proportion of residents who feel that their quality of life is affected by the fear of crime	22%	<22%	Update available Q2	N/A	N/A
	The performance against this indicator is taken from the City Survey, and the results for this are not available until September. A performance update will be given in the next quarterly report.					
Street Management						
54	Days of disruption saved on the road network as a result of collaborative working	70 days per quarter	100 days per quarter	131 days	On Track	∅
55	Percentage of Highway Accident Claims that are not pursued by the claimant following completion of investigation into the claim by the Road Management Inspector	96%	96%	96%	On Track	↔
56	Recovery rate of fixed penalty notices (FPNs) issued through waste enforcement activity	76.5%	80.0%	75.2% (1224/1628)	Off Track	↔
	The recovery rate is still being dragged down by the poor payment levels for CN12 FPNs for failing to comply with a WTN. Work on regular prosecution protocols is anticipated to improve recovery rates in coming months.					

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Premises Management						
57	Number of employees in business equipped with skills and knowledge to help them contribute to the safety and compliance of businesses in Westminster	New Indicator	800 by yearend	353	On Track	↔
58	Pest Control Customer Satisfaction levels	90%	90%	100%	On Track	↔
59	Customer Satisfaction rates with Home Improvement Agency (HIA)	New Indicator	90%	90%	On Track	N/A
Sports, Leisure and Wellbeing						
60	Number of visits to the Council's sports and leisure facilities	3,521,410	3,592,700 by yearend	1,064,418	On Track	∅

CORPORATE SUPPORT SERVICES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Tri-borough Human Resources						
61	Sickness absence - rolling year average number of days per employee per month	5.5 days	6 days	6.5 days	Off Track	⊘
	The average number of sickness days per employee has risen by almost one day in quarter one, however when looking at the rolling average for the previous 12 months at the end of June 2014, the average number of sickness days was 5.6 days per employee and so within target.					
62	Staff turnover excluding redundancies as a proportion of the workforce	11.2%	11.5%	10.3%	On Track	⊘
63	Total number of agency contractors	345	300	359	Off Track	⊘
	<i>Corporate Services</i>			103		
	<i>Adult Social Care (incl public health)</i>			128		
	<i>City Management</i>			75		
	<i>Built Environment</i>			24		
	<i>Housing, Regeneration and Property</i>			9		
	<i>Children & Young People</i>			20		
64	Total cost of agency contractors (£m)	£15.1m	£12.0m	£16.7m	Off Track	⊘
	<i>Corporate Services</i>			£7.1m		
	<i>City Management</i>			£4.0m		
	<i>Adult Social Care (inc public health)</i>			£2.9m		
	<i>Built Environment</i>			£1.4m		
	<i>Housing, Regeneration and Property</i>			£0.7m		
	<i>Children & Young People</i>			£0.6m		
	Both the cost and number of Temporary Agency Contractors (TACs) continue to increase. The total cost for the rolling year to the end of June was £16.7 million compared to £15.1million for the rolling year to the end of March and exceeding the target of £12million. The number of TACs has increased to 350 engaged in the month of June compared to 345 engaged in March, this is still a long way off the target of 300 TACs. TAC usage has been highlighted as an area for urgent action within the business. Addressing these two indicators remains a priority for business areas, with work being done to move TACs to fixed term contracts wherever possible. The table below provides a breakdown of TAC numbers and costs by Service Area.					

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 1 Performance	Status	Movement
Finance, Operations and Tri-borough Procurement						
Tri-borough Treasury						
65	Income generated from Investment Portfolio	£4.0m	£4.1m by yearend	£1.2m	On Track	↔
Strategic Finance						
66	Variance between budget forecast and actual spend	£0.6m Underspend	£0 Balanced budget	£1.7M overspend	Off Track	∅
	At Period 3 Service Areas are projecting an overspend of £1.7M against the net Budget position of £211M. The overspend is because of continued pressure within Housing relating to temporary accommodation costs, as well as an income pressure within Libraries & Culture.					
67	Total savings achieved for 2014/15 Completed – Savings Plan completed Green – Savings Plan(s) being implemented Amber – Savings Plan(s) is available but risks involved, Red – No savings plans currently available or high risk item	£26.6m	£23m	£3.472m (C) £5.632m (G) £10.154m (A) £4.024 (R)	On Track	∅
Corporate Complaints						
68	Number of stage 2 complaints received - Upheld/not upheld	37 complaints received in Q1 of 2013/14	Improve on last year position	41 received 0 upheld 32 Not upheld 9 Partially Upheld	Off Track	⊘
69	There has been a slight increase in the number of stage 2 complaints (up 4) when compared with the same period last year. This is being driven by the complaints received by Council Tax, Housing Benefit, Business Rates and Premises Management services.					
	Percentage of stage 2 complaints response completed within 10 working days	70% (Q1 2013/14)	>70%	73% (30/41 complaints)	On Track	∅
Strategy and Communications						
Customer Insight						
70	Percentage of residents satisfied with the way the Council is running the city	85%	>85%	Update available Q3	N/A	N/A
	Survey data available from late September 2014					
Change and Programme Management Unit						
	Percentage of change programmes where Successful delivery of the project is on track, probable or feasible	New Indicator	100% by yearend	91%	On Track	N/A
71	The majority of the existing Portfolio is based around transitioning away from Serco, and with the exception of Managed Services (MSP) these transitions (including the Customer and Parking transformation programmes) remain on track for timely delivery. Delivery for MSP has been delayed and is currently in a re-planning phase. Also re-planning is Better Together, which is re-orientating under the guidance of the new Chief of Staff.					
	The Medium Term Planning Process will generate a number of new programmes which will be incorporated into the Portfolio after SEB approval. The first of these will be programmes to transform Planning and City Management. The other key programme currently being defined is the City Hall Refurbishment programme.					
72	First time resolution of customer queries or issues via any channel of communication (Indicator TBC)	New Indicator	TBC	TBC	TBC	TBC
	Indicator under development, reporting against this indicator will commence in Q3.					

Appendix 2 - Council wide Performance Dashboard Mockup

Reporting Period: June

Please note that the data reported is for illustrative purposes only and does not reflect actual performance.

KEY SERVICE INDICATORS

Overall target assessments of Key Performance Indicators by SEB.



SEB Portfolio	Total KPIs	Status	On Track	Off Track
All SEB Areas	61	✓	75% (46)	25%(15)
Corporate Support Services	10	⚠	50%	50%
Built Environment	10	⚠	60%	40%
Tri B Children's Services	8	✓	80%	20%
Tri B Adult Social Care	10	✓	90%	10%
Tri B Public Health		✓	90%	10%
City Management	8	✓	80%	20%
Housing and Property	10	✓	90%	10%

PERFORMANCE AREAS FLAGGED FOR ATTENTION

Areas of underperformance for the attention of SEB.



Performance Indicator	12/13 Position	13/14 Target	June	Target & DoT Assessment
% of people supported with mental health needs in settled accommodation	75%	90% (90/100)	58% (58/100)	⚠ ↓
% of carers who receive a carers service as a result of a carers assessment or review	68%	98% (98/100)	44% (44/100)	⚠ ↓
Overcrowded families in social housing re-housed through a range of initiatives	865	1,000	930	⚠ ↓
% of care leavers who are in education. Employment and training.	63%	58% (58/100)	80% (80/100)	⚠ ↑
Number of households in temporary accommodation.	2,450	<2,875	1940	⚠ ↑

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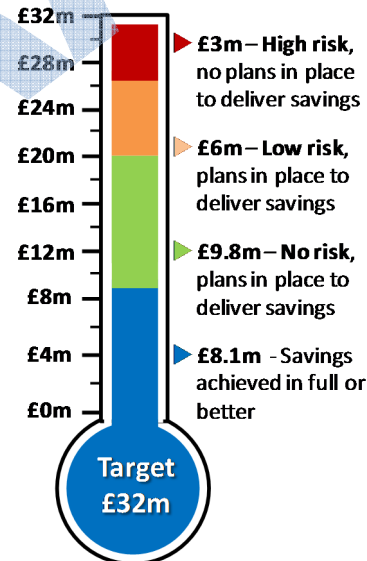
CORPORATE HEALTH INDICATORS

Organisational performance on key corporate indicators.



Theme	Measure	Position	Target
WORK FORCE	Sickness absence days per employee (YTD)	4 days	6 days
	Staff turnover as a proportion of workforce (YTD)	10%	14%
	Cost of Agency Staff to the council (YTD)	£10.9M	£8M
	Staff perceptions of the Council as being positive	65%	100%
REPUTATION	Resident satisfaction with the Council	85%	80%
	Resident speak highly of the Council	56%	60%
CUSTOMER	Number of stage 2 complaints received (YTD)	121	<158
	Total customer contact volumes received by the council	TBC	TBC
	Satisfaction with the way council handled their enquiry	TBC	TBC
	First time resolution of customer queries or issues	TBC	TBC
FINANCE	Variance on Revenue Budget position	+£1.2M	£0
	Amount of savings achieved or on track	£16.2M	£28.7M
	Total Debts over 365 days	£47.2M	£30M

SAVINGS PROGRAMME



MAJOR CHANGE PROGRAMMES



Change Programme description	Contribution towards MTP Target of £100m	Delivery Status
Customer	ETBC (X%)	●
Parking	ETBC (X%)	●
ICT	ETBC (X%)	●
City Hall Investment	ETBC (X%)	●
Print & Fulfilment	ETBC (X%)	●
Health & Social Care (Tri B)	ETBC (X%)	●
MSP (Tri B)	ETBC (X%)	●

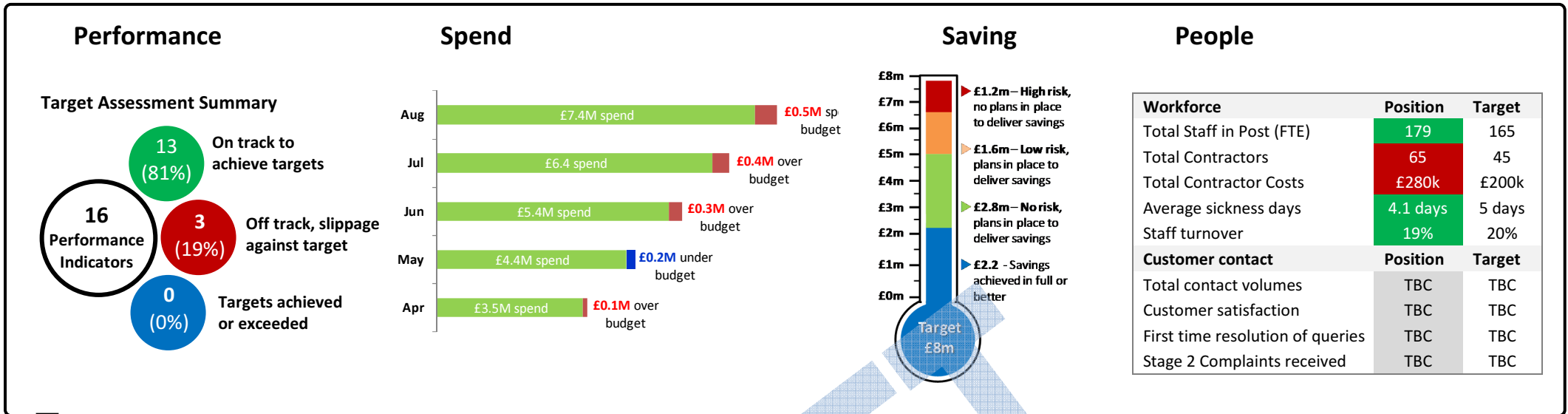
Programmes flagged for attention:

MSP: Managed services is on pause, new timelines are not yet clear. Change managers are in place and preparing to analyze the impact of changes to the MTP Plan once situation is clearer.

Appendix 2 – SEB level Performance Dashboard Mockup

Reporting Period: June

Please note that the data reported is for illustrative purposes only and does not reflect actual performance.



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Performance Indicator Summary		2013/14 Position	2014/15 Target	May Position	June Position	Target Assessment	Direction of Travel
1.	% children requiring foster care being placed with Tri-B foster carers	83%	80%	85%	82%	✓	↔
2.	% children with a placement order placed with adopters.	28.5%	100%	35%	43%	✓	↗
3.	% of young people coming into care aged 14-17 years	54%	54%	50%	55%	✓	↘
4.	Number of 16 to 18 year olds not in education and training	47	37	47	45	⚠	↗
5.	% care leavers in education, employment and training (Statutory)	67.9%	67%	69.1%	70.1%	✓	↗
6.	Number of child protection cases (Statutory)	99	99	96	99	✓	↗
7.	% child protection cases with a duration of 2+ years (Statutory)	6.10%	5 to 10%	6.7%	8.0%	✓	↔
8.	Number of Looked after Children (Statutory)	176	179	170	175	✓	↗

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