



City of Westminster

Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Wednesday 26th November, 2014**

Time: **7.00 pm**

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

Members: **Councillors:**

Jean Paul Floru (Chairman)
Lindsey Hall (Vice-Chairman)
David Boothroyd
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, Reuben Segal.

**Tel: 020 7641 3160 Email: rsegal@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 17th September 2014

(Pages 1 - 4)

4. WORK PROGRAMME 2014-2015

Report of the Head of Legal and Democratic Services

(Pages 5 - 16)

5. KPMG ANNUAL AUDIT LETTER 2013/14

Report of the City Treasurer

(Pages 17 - 30)

6. CORPORATE COMPLAINTS 2013/2014

Report of the City Treasurer

(Pages 31 - 70)

7. QUARTER 2 FINANCE & PERFORMANCE BUSINESS PLAN MONITORING REPORT

Report of the City Treasurer and Director of Communications and Strategy.

(Pages 71 - 108)

8. INTERNAL AUDIT AND COUNTER FRAUD MONITORING REPORT

Report of the City Treasurer

(Pages 109 - 122)

Peter Large
Head of Legal & Democratic Services
18 November 2014

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CITY OF WESTMINSTER

MINUTES

Audit and Performance Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit and Performance Committee** Committee held at 7.00pm on **Wednesday 24th September, 2014**, Rooms 3 & 4 - 17th Floor, City Hall, 64 Victoria Street, London, SW1E 6QP.

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

Officers Present: Steven Mair (City Treasurer), Anthony Oliver (Chief Procurement Officer), Andrew Curtois (Acting Head of Category Management), 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 Rahman (Strategic Business Analyst) and Mick Steward (Head of Committee and Governance Services)

1 MEMBERSHIP

- 1.1 The Committee were advised that Councillor Peter Cuthbertson was substituting for Councillor Lindsey Hall.

2 DECLARATIONS OF INTEREST

- 2.1 There were none.

3 MINUTES

RESOLVED: That the minutes of the meeting held on 30 June 2014 be agreed and signed by the Chairman as a true and correct record of the proceedings.

4 WORK PROGRAMME 2014-2015

- 4.1 The Committee endorsed its work programme for the remainder of 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, if necessary, and that officer contact details were clear so that should Members or anyone else have any questions in advance of the meeting they could be directed to the most relevant officer.

4.2 There were no issues arising from the action tracker.

5 ANNUAL CONTRACTS REVIEW 2013-2014

5.1 Before the Chief Procurement Officer introduced the report the Chairman sought the Committee's agreement to the holding of a workshop on procurement for the Committee, to which all members of the Council would also be invited. The Committee agreed to this.

5.2 Anthony Oliver, Chief Procurement Officer, introduced the report advising that the report was submitted in order to comply with the Committee's Terms of Reference. He highlighted that 61 contracts had been awarded over the value of £150,000 and 31 contracts with a value of less than £150,000 were let in 2013/14. There had been 66 extensions and 11 variations of existing contracts and these were highlighted in Appendix B of the report. Mr Oliver highlighted the significant amount of training in the field of procurement and fraud awareness.

5.3 Councillor Boothroyd asked about the number of waivers which had been granted as set out in Appendix A of the report. Mr Oliver explained that waivers could be granted for a number of reasons, including insufficient suppliers for a particular service. He undertook to investigate the individual number of cases for waivers and provide details by category before the next meeting of the Committee to all members of the Committee.

5.4 Members also asked about the managed services contract. Mr Oliver explained that delays had occurred with making the contract go live and these were currently being addressed.

5.5 Mr Oliver explained in response to questions from the Committee regarding draw down contracts which did not incur costs except when services were commissioned. Councillor Warner questioned if such arrangements led to inflated prices as the contractor was only aware of the likely rather than a guaranteed amount of orders. Mr Oliver undertook to outline in more detail the call off arrangements within contracts at the forthcoming procurement workshop and also the various reasons why waivers to the code may be obtained.

5.6 Councillor Boothroyd referred to the letter which had been sent to all Members raising questions about the Passenger Transport contract. Mr Oliver confirmed that a thorough procurement exercise had been carried out, which fully complied with the Public Procurement Regulations, as set out in the report.

5.7 Councillor Judith Warner asked for brief written details of the female re-offending contract.

5.8 Councillor Warner also requested further clarification of why the contract relating to the ward budget expenditure for Abbey Road ward appeared in the schedule. Mr Oliver undertook to provide further information in writing.

5.9 **Resolved:**

- (i) That a seminar for all Members of the Committee be arranged on procurement to which all Members of the Council to also be invited.

(Action: Anthony Oliver and Mick Steward)

- (ii) That the report be noted.
- (iii) That the requests for further information set out above be actioned (action by Anthony Oliver).

6 **INTERNAL AUDIT AND COUNTER FRAUD MONITORING REPORT**

6.1 Mr Harris introduced the report. He advised that the key outcomes found that in the areas audited, internal control systems were generally effective with 80% of the audits undertaken receiving a positive allowance opinion. There were a few areas where control improvements were required as set out in the report. In each case, action plans are in place to remedy the weaknesses identified.

6.2 In addition to audit work associated with the City Council eight audits were completed in respect of services provided on a tri-borough basis. A positive assurance opinion was given in 75% of these audits.

6.3 The Committee commented on the findings of the Public Health Service Audit and the Troubled Families Programme. Members also discussed issues associated with Members' IT and in particular those associated with accessing the Council's network.

6.4 The position with the transfer of Housing Benefit Investigations to the Department for Work and Pensions. The Committee expressed concern at the implications of information on fraud being lost following the transfer. Officers undertook to reflect in future reports details of the formal reporting mechanisms in place with the Civil Service.

6.5 **Resolved:** That the findings as set out in the report be noted.

7 **FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING REPORT**

7.1 The City Treasurer introduced the report relating to financial performance. He outlined the current financial position as detailed in the report. He explained that the period 3 overall projected deficit of £1.7m was mostly due to continued pressures relating to temporary accommodation costs.

7.2 Mo Rahim, Strategic Performance Team, introduced the remainder of the report which outlined the progress made against the Performance Management Framework between April and June 2014. It was noted that the evaluation of performance was based on progress against the Business Plans

of each Executive Director Portfolio. Mo Rahim confirmed there was an HR action plan in place to reduce the number of temporary agency staff.

- 7.3 Following a previous request, John Walker, Operational Director, Development Control attended the meeting. He explained the pressures on his service and the difficulties he faced with recruiting suitable candidates for the senior positions. This in turn led to delays in processing applications. The Chairman undertook to write to the Director of HR to outline the Committee's concerns and to see if anything could be done to relax the HR processes to enable easier recruitment in areas where recruiting and retaining quality staff was proving difficult.
- 7.4 Councillor Warner referred to the briefing note on Westco which she had received. She questioned why Westco existed and why it was not transparent. Councillor Boothroyd, also in the same vein referred to Westminster Community Homes Ltd and Citywest Homes. Steven Mair explained that it allowed the Council to sell its skills and an item on this and other arms length bodies like Westminster Community Homes Ltd could be included on a future agenda. Councillor Warner suggested that a briefing note be circulated following which a report if required could be submitted.
- 7.5 Councillor Boothroyd asked for a note on the delays associated with the Luxborough Library to be sent to him.
- 7.6 Councillor Boothroyd asked that details of the number of waste collections broken down by ward be forwarded to him.

Resolved:

- (i) That the report be noted.
- (ii) That the actions set out above be endorsed.

8 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT: NONE

The Meeting ended at 8.44pm.

CHAIRMAN: _____

DATE _____



City of Westminster

Audit & Performance Committee Report

Meeting:	Audit & Performance Committee
Date:	26 November 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:	Reuben Segal, Senior Committee and Governance Officer. Tel: 020 7641 3160 or email: rsegal@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:

**Reuben Segal, Senior Committee and Governance Officer
Legal and Democratic Services**

Tel: 020 7641 3160 or email: rsegal@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.	Reuben Segal
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	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. Officers from the Planning Department to attend to answer questions in relation to current performance indicators.	Steven Mair (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	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.	Reuben Segal
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.	Steven Mair (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.	Reuben Segal
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
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
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.	Steven Mair (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
Internal Audit Plan 2015/16	To review and comment on the draft audit plan for 2015/16	Chris Harris

23 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.	Reuben Segal
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.	Steve Mair
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.	Steven Mair (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

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: 24 SEPTEMBER 2014

ACTION	OUTCOME	LEAD OFFICER
Annual Contracts Review 2013/2104		
1. To hold a workshop on Procurement for the Committee to which all members of the Council are invited.	The workshop has been arranged for 6.15pm on Thursday 5 December 2014	AO
2. In future years to avoid the use of jargon and abbreviations in order to make the report more easily understood, to include contract value.	Noted	AO
3. A note setting out the reasons for the waivers referred to in the appendices to be sent to all Committee Members.	This was sent to all Committee Members on 15 October	AO
4. Details of the Tri-borough Female Reducing Re-offending Service Contract to be sent to Councillor Warner.	This was sent to all Committee Members on 15 October	AO
5. The reasons for the high spend on support and maintenance of the fixed Crime and Disorder CCTV operation to be sent to Councillor Warner.	This was sent to all Committee Members on 15 October	AO
6. Details of the City Guides Service to be provided to Councillor Warner.	This was sent to all Committee Members on 15 October	AO
7. Reason why the works at St Marks Church are listed to be sent to Councillor Warner.	This was sent to all Committee Members on 15 October	AO
Finance and Performance Business Plan Monitoring Report		
8. Chairman to write to Director of HR expressing concerns about the problems associated with the recruitment and retention of professional Planning Officers.	Letter sent	Councillor Floru

9. A briefing note setting out continuing need for WestCo and other similar arrangements eg Westminster Community Homes Ltd to be sent to the Committee in advance of the next meeting.	This is due to be circulated in advance of the next meeting.	SM
10. Reasons for the delays at Luxborough Library to be forwarded to Councillor Boothroyd.	This information was sent to Councillor Boothroyd on 7 October.	MR
11. Further information showing the number of waste/lorry collections by ward to be sent to Councillor Boothroyd	This information was sent to Councillor Boothroyd on 15 November.	MR

AGENDA ITEM No.



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	26th November 2014
Classification:	General Release
Title:	Annual Audit Letter 2013/14 from external auditors KPMG
Wards Affected:	All
Financial Summary:	N/A
Report of:	Steven Mair, City Treasurer and Section 151 Officer.
Author:	Jane Cika, jcika@westminster.gov.uk 0207 641 2279

Executive Summary

1. The Council's external auditors KPMG have issued their Annual Audit Letter in which they report to the Committee their key findings from their audit of the Council's financial statements (Council & Pension Fund) for the year ended 31st March 2014.
2. During the audit cycle KPMG issued status reports to the Committee on their findings. The ISA 260 report which was issued to the Committee on the 30th June 2014 included both an unqualified opinion and an unqualified value for money conclusion. The Annual Audit Letter is consistent with what has been previously reported i.e. no new issues are brought to the attention of the Committee.
3. In relation to the Council's financial statements, the Audit Letter reports:
 - a. An unqualified value for money conclusion;
 - b. An unqualified opinion on the Council's financial statements;

- c. That the audit did identify a small number of material adjustments;
 - d. Four recommendations already reported in the ISA 260 report, management has instigated actions on these recommendations;
 - e. That KPMG have reviewed the Annual Governance Statement and concluded that it is consistent with their understanding;
 - f. There are no recommendations relating to the Pension Fund;
 - g. That the Whole of Government Accounts Pack prepared by the Council is consistent with the audited financial statements.
4. As the auditors are still considering two objections raised by members of the public they have not yet been able to issue a certificate closing the audits from 2008/9 onwards. Senior Officers of the Council are actively working with KPMG to bring these objections to a conclusion over the next few months.
 5. Following on from the national changes made by the Audit Committee, the planned audit fee for 2013/14 was £245,025, in line with the 2012/13 fee. The actual fee is £30,597 more than the planned fee due to additional auditor time required.

2. Recommendations

1. That the Committee consider the Annual Audit Letter 2013/14.
2. That the status of the objections is noted.

3. Reasons for Decision

No decision is required.

4. Background, including Policy Context

1. The final, audited statement of accounts of the Council and the Pension Fund for the year ended 31st March 2014 were previously presented to the 30th June 2014 meeting for the Committee's consideration.

5. Financial Implications

There are no direct financial obligations arising from this report.

6. Legal Implications

None

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

Jane Cika at jcika@westminster.gov.uk or 0207 641 2279

BACKGROUND PAPERS

1. Annual Audit Letter 2013/14, City of Westminster Council.

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cutting through complexity™

Annual Audit Letter 2013/14

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City of Westminster Council

October 2014



The contacts at KPMG in connection with this report are:

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Report sections

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Appendices

- 1. Key issues and recommendations 5
- 2. Summary of reports issued 7
- 3. Audit fees 8

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission’s website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Andrew Sayers, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG’s work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission’s complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 4448 330.

This report summarises the key findings from our 2013/14 audit of City of Westminster Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2013/14 financial statements and the 2013/14 VFM conclusion.

<p>VFM conclusion</p>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2013/14 on 30 June 2014. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p> <p>Our audit report included a Report by Exception highlighting weaknesses, in particular for contract letting, contract variations and formalising contract documentation. These weaknesses were identified from our work considering the objections to the Authority's accounts for the 2008/09 to 2011/12 financial years. Whilst we note that the Authority has made improvements in this area, there is still further work required to embed the improvements across all areas of procurement activity.</p>
<p>Audit opinion</p>	<p>We issued an unqualified opinion on your financial statements on 30 June 2014. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements also include those of the pension fund and the Authority's Group, which consists of the Authority itself and City West Homes Limited, Westminster Community Homes and WestCo Limited.</p>
<p>Financial statements audit</p>	<p>The Authority worked to an accelerated closedown timetable this year with the aim of having an audited set of accounts by 30 June 2014. We identified a higher number of errors in the accounts than in previous years, with seven audit adjustments with a total value of £93 million. In addition we identified seven presentational adjustments. The Authority also identified approximately 35 areas that required adjustment, which were made. A key contributor to this was the accelerated timetable which resulted in a reduced level and robustness of quality assurance over the draft financial statements. The impact of the adjustments was:</p> <ul style="list-style-type: none"> ■ No impact on the balance of the general fund account as at 31 March 2014; ■ Increase in the surplus on provision of services for the year by £148 million; and ■ Decrease the net worth of the Authority as at 31 March 2014 by £17.7 million.
<p>Annual Governance Statement</p>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>

We provide a summary of our key recommendations in Appendix 1.

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 2.

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Pension fund audit	There were no significant issues arising from our audit of the pension fund.
Whole of Government Accounts	We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.
High priority recommendations	<p>We raised two high priority recommendations as a result of our 2013/14 audit work. These are detailed in Appendix 1 together with the action plan agreed by management. We have had early discussions with management as part of their detailed planning for the production of the 2014/15 financial statements and audit. Officers have developed a detailed project plan aimed at improving the quality of financial management, the draft financial statements and working papers, as well as bringing the timetable forward compared to 2013/14. The project plan includes enhanced project management arrangements, a training plan and the provision of training on a number of technical areas by CIPFA, a Quality assurance and Improvement policy and the plan introduces a monthly hard close from the end of period 8 to the year end. We will formally follow up these recommendations as part of our 2014/15 work. The recommendations focused on:</p> <ul style="list-style-type: none"> ■ Ensuring there are robust quality assurance processes for the draft financial statements. ■ Early review of changes to the Code and prior year errors to ensure that these are not repeated.
Certificate	<p>We have not issued a certificate closing the audits for 2008/09 onwards as we have been considering a number of issues raised by a member of the public. During 2013/14 we have decided six objections, in all cases the auditor decided not to issue a Public Interest Report or apply to the Courts for a declaration that an item of account is contrary to law. However some weaknesses were identified from our work on the objections and these were reported to the Audit and Performance Committee in June 2014. The objections decided in 2013/14 were:</p> <ul style="list-style-type: none"> • budget virements in 2010/11; • the parking enforcement contract – approval of expenditure and invoicing items not in the contract; • the Liberata contract for the management and hosting of the WIMs financial system; • the extension of the Sharpe Pritchard contract; • the Hays contract for temporary staff; and • expenditure relating to the licensing of sex shops. <p>Two objections are on-going:</p> <ul style="list-style-type: none"> • the parking pay by phone contract; and • the Philips bailiff contract. <p>We currently anticipate being able to decide these by the end of the year.</p>

We provide a summary of our key recommendations in Appendix 1.

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 2.

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Audit fee

Our planned fee for 2013/14 was £245,025 excluding VAT, for the main audit and £21,000 for the pension fund. The pension fund audit was delivered in line with the planned fee. The actual fee charged for the main audit was £275,622 excluding VAT. The additional £30,597 plus VAT was agreed with officers for the additional resources needed to complete the audit, largely a result of the reduced quality of the draft financial statements stemming from the much earlier closedown and the number of amendments that were made during the course of the audit.

The fee excludes the additional fees relating to our ongoing consideration of matters raised by a member of the public. The fee charged to date which relates to the work carried out to the end of April 2014 is £30,304 plus VAT of which £5,014 relates to Audit Commission legal fees. A further £5,500 has been incurred since May 2014. Further detail is contained in Appendix 3.

This appendix summarises the high priority recommendations that we identified during our 2013/14 audit, along with your responses to them.

Lower priority recommendations are contained, as appropriate, in our other reports, which are listed in Appendix 2.

No.	Issue and recommendation	Management response/ responsible officer/ due date
1	<p>Quality assurance process and closedown</p> <p>We acknowledge that the financial statements were prepared in a much reduced time period for the first time this year. This presented inevitable challenges in preparing a robust set of draft financial statements for audit.</p> <p>There is a risk that in preparing the draft financial statements in a much shorter timeframe that the Quality Assurance processes get reduced or do not happen at all. This would appear to be the case this year, with a marked deterioration in the quality of the draft financial statements which has resulted in a number of adjustments and other amendments.</p> <p>The Authority should review its accounts preparation timetable for future years and ensure that it includes sufficient time for a robust quality assurance process prior to submitting the draft accounts for audit. The Authority may also want to re-consider its plan to bring the timetable forward further next year, focusing instead on improving the quality of the draft financial statements provided for audit.</p> <p>The Authority should also commit to a hard close at month nine at which point audit will be able to review both Comprehensive Income and Expenditure Statement (CIES) and balance sheet entries, reducing the burden at year end.</p>	<p>Accepted.</p> <p>The decision to adopt an accelerated closedown timetable for 13/14 was taken in early 2014. Officers within Corporate Finance acted promptly to prepare a detailed closure timetable concluding in publication of the accounts on 30th June 2014, a three month improvement on prior years. This timetable included the adoption of a hard-close for Period 10 (January 2014) with transactions for periods 1 to 10 providing a sound basis for the interim audit.</p> <p>Whilst the Council recognises that there were a number of areas which can inevitably be improved in future years and which the Council is already working on, the benefits of the accelerated closure programme are very considerable and more than outweigh the challenges that have been faced.</p> <p>The early closure of accounts is a significant driver of efficiency and therefore in the value that Finance can bring. In terms of efficiency, the early release of finance staff from the closedown process ie the 30 June rather than the 30 September means the team is freed up to concentrate on other financial issues such as the Medium Term Plan (MTP) and further improving and refining financial management processes.</p> <p>In order to continue to obtain the benefits noted above and to further enhance them for 2014/15 the Council will publish its annual accounts earlier again. To enable this, and to reduce the significant volume of fixed asset, grant, provision and related transactions which currently occur in periods twelve and thirteen it will hold a number of hard-closes through the year.</p> <p>This initiative will be supported by an improvement plan which Corporate Finance will draft following a robust and timely review of the accounts preparation and audit process in July 2014. This will be informed by Corporate Finance's own experience as well as information provided by external audit. The improvement plan will be implemented during 2014/15 and will result in continuous programme management of the Council's accounts and ultimately the statement of accounts throughout the financial year.</p>

Appendix 1: Key issues and recommendations

This appendix summarises the high priority recommendations that we identified during our 2013/14 audit, along with your responses to them.

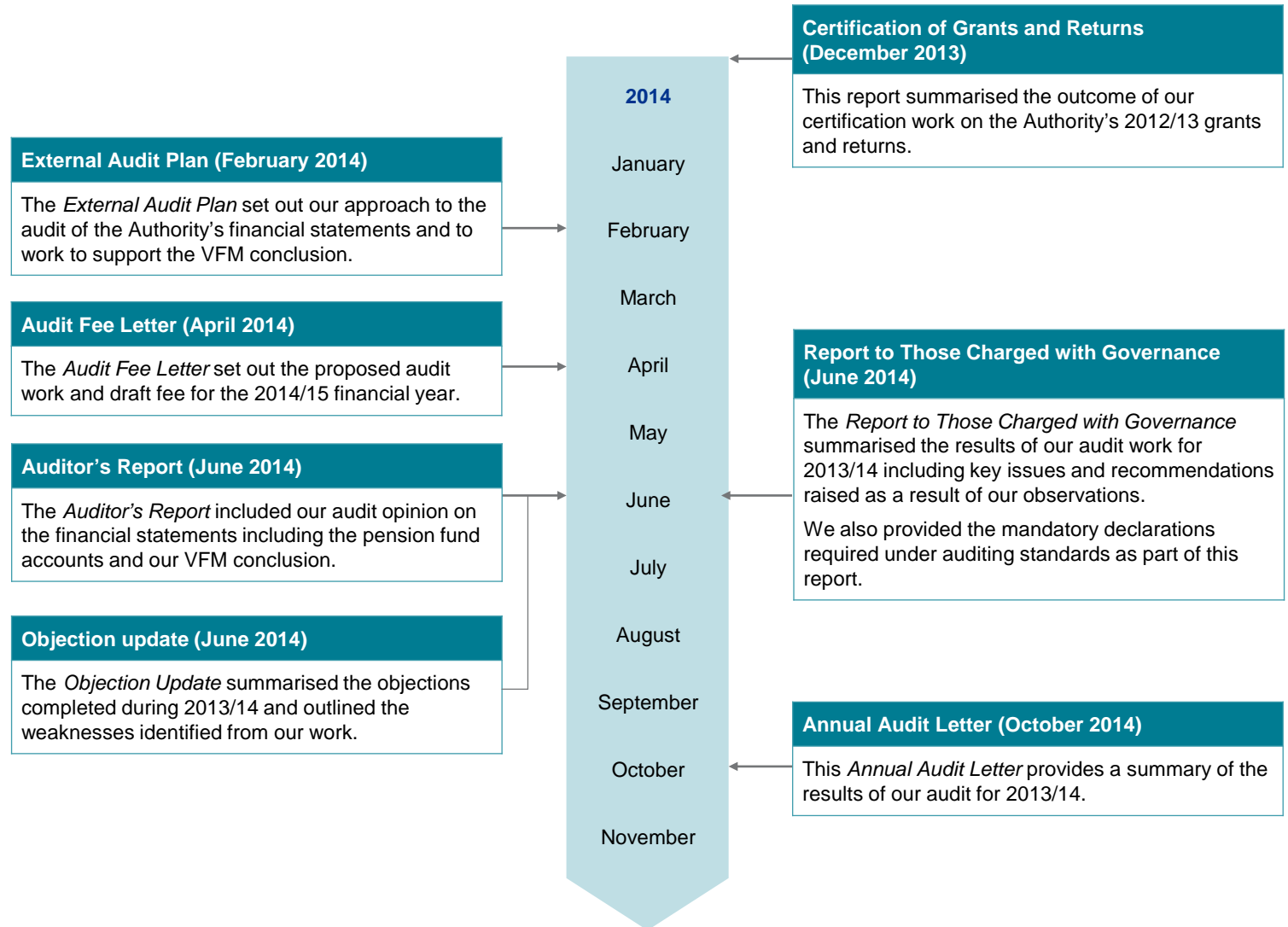
Lower priority recommendations are contained, as appropriate, in our other reports, which are listed in Appendix 2.

No.	Issue and recommendation	Management response/ responsible officer/ due date
2	<p>Review of the Code and prior year errors</p> <p>The Authority should ensure that in preparing the draft financial statements, any new requirements of the Code are accounted for appropriately and the errors made in prior years are reviewed and not repeated.</p>	<p>Accepted</p> <p>The improvement plan to be implemented in 2014/15 will incorporate known issues. Where new requirements are identified by the Code these will be monitored, investigated and accounting treatment agreed in a timely manner. This approach will be reinforced by proactive engagement and coordination with Tri-Borough colleagues.</p>

Appendix 2: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.

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This appendix provides information on our final fees for 2013/14.

To ensure openness between KPMG and your Audit and Performance Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2013/14 planned audit fee.

External audit

Our final fee for the 2013/14 audit of the Authority was £275,622. This compares to a planned fee of £245,025. The reasons for this variance are:

- an increased fee for the audit of the financial statements reflecting additional costs incurred in carrying out the final accounts audit of £30,597 over and above our initial estimate as at April 2013.

Our final fee for the 2013/14 audit of the Pension Fund was in line with the planned fee of £21,000.

Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2013/14* which we are due to issue in January 2015.

Objections

We also charged £30,304, for the work up to the end of April 2014, deciding a number of objections which have been raised by local electors. £5,014 of this relates to Audit Commission legal fees. We have completed further work since May 2014 totalling £5,500 to the 10 October 2014.



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City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	26 November 2014
Classification:	General Release
Title:	Annual Complaints Review 2013/14
Wards Affected:	All
Financial Summary:	There are no financial implications from this report
Report of:	Sue Howell, Complaints and Customer Manager Telephone: ext 8013 E-mail: showell@westminster.gov.uk

1 Executive Summary

- 1.1 The purpose of this report is to present to the Audit and Performance Committee the Council's Annual Complaints Review for 2013/14 (**see Appendix 1**).
- 1.2 The attached report (**Appendix 1**) summarises the Council's complaints performance (complaint Stages 1, 2), those complaints received by Local Government Ombudsman (LGO), and a limited review of dealing with the Leader and Cabinet Member correspondence. A copy of the Local Government Ombudsman Annual Letter/Review for the year ended 31 March 2014 is also attached (see **Appendix B** of the Annual Complaint Review 2013/14). A copy of CityWest Homes Complaint Report for 2013/14 is also attached (see **Appendix A1** of the Annual Complaint Review for 2013/14).

2 Recommendations

- 2.1 Members are requested to review and note the information about complaints set out in the Annual Complaint Review 2013/14 (**Appendix 1**).

3 Complaints Handling

- 3.1 The Council now operates a two stage complaints procedure which came into operation on 1 April 2012. The two stage procedure is as follows:
- **Stage 1** - Complaints are addressed by the local service delivery manager (15 working day turnaround).
 - **Stage 2** - A Chief Executive's review undertaken (15 working day turnaround)
 - **LGO** - If the complainant still remains dissatisfied he/she can take the concern to the LGO
- 3.2 In February 2014 the Strategic Executive Board (SEB) with the approval from the Cabinet Member for Finance, Corporate and Customer Services, reduced the target response times for stage 2 complaints from 15 to 10 working days. This was with immediate effect (from February 2014). After consultation with the relevant services, and with effect from 1 April 2014, the target response times for stage 1 complaints was also reduced from 15 working days to 10 working days.
- 3.3 The reduction in target response times was taken as previously it took a total of 30 days to go through stage 1 and stage 2 of the procedure (see item 3.1), and this length of time was on a par with the majority of other local authorities. There was an opportunity for the Council to take a lead in best practice to reduce the total number of days to go through the process and in doing so reduced the overall target time by 10 working days (30 days to 20 days).
- 3.4 The figures for the first two quarters of 2014/15 suggest that the reduction in target response times is not having an adverse effect on performance. For stage 1 the target response time for the first two quarters of 2014/15 was met in 91% of complaints. For the same period in 2013/14 the target was met in 74% of complaints. Therefore the performance at stage 1 has improved since the introduction of the 10 working day target. A similar situation has arisen at stage 2 as the 10 day target response time was met for the first two quarters of 2014/15 in 76% of complaints. For the same period in 2013/14 the 15 working day target was met in 73% of complaints.
- 3.5 Not all complaints are dealt with through the Council's complaints procedure, and complaints relating to Adults and Children's Social Services have their own statutory complaints procedure. A separate Adults Services report and a Children, Young People and Family Service reports are presented to the board and are available on the wire. In view of this complaint performance information about these services has not been included in this report. CityWest Homes also has its own separate complaints procedure and their report is also attached (see **Appendix A1** of the Annual Complaints Review 2013/14).
- 3.6 The decision to allow CityWest Homes have its own complaints procedure was taken to shadow expected national changes to housing complaints when the Localism Bill came into force (1 April 2012). This allowed CityWest Homes to set

up a forerunner of the new tenants' panel to review complaints before complaints could then go onto the Housing Ombudsman. Such complaints which would otherwise have been escalated to the council.

3.7 The Council's complaint procedure also does not deal with issues where there are separate legal procedures such as disputes over parking tickets, planning applications appeals and Housing Benefit appeals. For example, the complaints procedure cannot deal with a complaint from a motorist who is disputing the issue of a parking ticket. This is because there is a separate and statutory appeals process which takes precedence over the complaints procedure. A motorist can however complain about other aspects of the service such as allegations that communications were not responded to or that the Council has failed to follow due process. For this reason the complaints included in this report only relate to allegations of service failure and where there is not legal, statutory procedure or an alternative complaint procedure to deal with the specific issue.

3.8 Some headline findings from the Annual Complaint review are as follows:

Complaint Numbers – There has been an increase in the total number of complaints. In 2013/14 a total of 994 were received across all stages and services. In 2012/13 a total of 841 complaints were received. This represents an increase of 153 complaints (up 15%). The increase is generally attributed to the rise in the volume of stage 1 Finance complaints (HB, CT& NNDR)

UPHELD Complaints – The percentage of upheld complaints is low 28% (234 of 829) of complaints were upheld at stage 1. 14% (23 of 166) of complaints were upheld at stage 2 in 2013/14 and this indicates that overall there is not a problem with service delivery.

Compensation – There has been a decrease in the amount of compensation offered at Stage 2, (£2,600 for 2013/14 compared with £5,310 for 2012/13).

Response times – There has been an improvement in meeting the target response times at stage 1, which was reached in 93% of complaints against 88% in the previous year. At stage 2 there was a slight decrease, with 75% meeting the target response time for 2013/14 against 76% for the previous year

Local Government Ombudsman (LGO) – The LGO Annual Review for the year ending 31 March 2014 provided no comment on the Council's performance

LGO Average response times - The council's average response time was 22 days against a benchmark of 28 days. In the previous year it was 25 days

Leader and Cabinet Member Correspondence – The data provided indicates that there has been a reduction (down 95) in the volume of correspondence received

4 Report of the Local Government Ombudsman

- 4.1 As noted in the Annual Complaints Review (see **Appendix 1** item 6.12 to 6.22), On 24 September 2013 the Local Government Ombudsman (LGO) published a formal report finding maladministration with injustice following their investigation into complaints against the City Council's Homelessness Service. The complaints concerned the Council housing homeless families in non self-contained accommodation for more than 6 weeks. The law says that when families apply as homeless councils should avoid using B&B. If there is no alternative, councils should use it for no longer than six weeks.
- 4.2 The information set out in the Annual Complaints Review 2013/14 (item 6.12 to 6.22) was previously reported to this Committee in the meeting held last year on 26 November 2013. A copy of the LGO report was sent to all Members under cover of the Report by the Monitoring Officer on 14 October 2013.
- 4.3 As the report concluded that there had been an injustice as the two complainants, and other families, remained in bed and breakfast accommodation beyond the statutory 6 week period, it *recommended* a compensation payment of £500 to Ms A and Ms B to acknowledge that it was unable to provide self-contained accommodation after the initial six-week period. Also to pay an extra £500 for each additional six-week period. It also required the Council to provide a similar remedy to the other 38 people who have complained to the LGO that they have suffered the same injustice.
- 4.4 The LGO report was considered by Cabinet on 14th October 2013 along with the report of the Monitoring Officer, and the following recommendations were endorsed.
- That the Cabinet notes and approves the contents of the Ombudsman's Report.
 - That the Cabinet authorises that £500 is paid to Ms A and Ms B to acknowledge that it was unable to provide self-contained accommodation after the initial six-week period. And to pay an extra £500 for each additional six-week period and to provide a similar remedy to the other 38 people who have complained to the LGO that they have suffered the same injustice.

- That the Cabinet agrees to contact each effected household and will take the same approach to compensate those who have suffered an injustice as a result of being accommodated in non self-contained accommodation for more than six weeks.
- 4.5 As explained in the Annual Complaint review 2013/14 (item 6.20), payment has now been made to those affected by this decision and this includes writing to those other families who had not made a complaint and who were in bed and breakfast for more than 6 week and who were accepted as homeless and did not receive an offer of alternative accommodation.
- 4.6 A finding of maladministration with injustice by the LGO is not a common occurrence and the last time such a report was issued was in October 2009 and was a complaint about Parking Services.

5 The management of complaints

- 5.1 The following are being or have been developed to address and improve the management of complaints:
- The Council's current complaints software (Respond) is being replaced. The new system will run on SharePoint. The new system is currently being phased in service by service and all services should be using the new system by December 2014.
 - The new system should provide better quality data as it will be open to more users and therefore improve complaint analysis and the management of complaints.
 - Complaints arrangements are under review. There is a project investigating if there is a business case to create a single way of working across tri borough to adopt a consistent approach to managing complaints with a common two stage complaints process across all three boroughs, which make it simple for our residents, Council Officers and partner contractors to access and collaborate to resolve complaints. The project is also looking at the potential to include FOI, a managed MP and Member casework ICT platform. The aim is to realise efficiency savings and to try and improve customer satisfaction and reduce escalation through improved responses. The current aim is to develop a business case to present to the Corporate Services Portfolio Board for December 2014.

6 Financial Implications

There are no financial Implications associated with this report.

7 Legal Implications

There are no legal implications associated with this report.

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

Sue Howell, Complaints and Customer Manager

E-mail: showell@westminster.gov.uk

BACKGROUND PAPERS

None

APPENDIX 1

Annual Complaints Review 2013/14



City of Westminster

Annual Complaints Review 2013/14

31 October 2014

For further information contact: Sue Howell,
Customer and Complaints Manager
Telephone: ext. 8013
Email: showell@westminster.gov.uk

1. Introduction

- 1.1 This report presents complaints performance and trends for 2013/14. It also includes a performance review of Local Government Ombudsman (LGO) first time enquiries and a limited review of Leader and Cabinet Member correspondence.

2. Background

- 2.1. The council has been operating a two stage complaints procedure since 1 April 2012. The two stage procedure is as follows:
- **Stage 1** - Complaints are addressed by the local service delivery manager (15 working day turnaround).
 - **Stage 2** - A Chief Executive's review undertaken (15 working day turnaround)
 - **LGO** - If the complainant still remains dissatisfied he/she can take the concern to the LGO
- 2.2. Adults and Children's Social Care Services each have their own statutory complaints procedure. As such separate reports are produced for Member and Officer over sight, therefore, complaint performance information about these services has not been included in this report.
- 2.3. CityWest Homes (CWH) has been operating its own complaints procedure since 1 April 2012, and therefore their complaints data is not included in this report. CityWest Homes produces its own annual complaint report and this goes to the Housing Board. However, a copy of the 2013/14 report is now attached. Please see **Appendix A1**.
- 2.4. The council's complaints procedure works on a "distributed" approach with complaints and customer feedback being directed towards the department/service area it relates to.
- 2.5. Data relating to complaints is captured on a number of different systems at stage 1 of the complaints procedure, although all stage 2 complaints are recorded on the current complaint and correspondence database (Respond). For this reason, and as explained in previous annual reviews, a detailed analysis of data across all stages of the complaints procedure is not possible.
- 2.6. This report covers the basic complaint data collected by the Customer and Complaints Team on a quarterly basis covering volumes, response times and complaint decisions. A more detailed analysis of Stage 2 complaints has been undertaken as the Customer and Complaints Team investigate complaints made at the final stage of the procedure and therefore they have full access to the data collected at this stage.

3. The management of complaints

3.1. The following are being or have developed to address and improve the management of complaints:

- The Council's current complaints software (Respond CenterPoint) is in the process of being replaced. The new system will run on SharePoint. The system is currently being phased in service by service and all services should be using the new system by December 2014.
- On 4th February 2014, the Council's Strategic Executive Board took a decision to reduce the target response time for stage 2 corporate complaints from 15 working days to 10 working days. It was also recommended that all services consider following suit and reduce stage 1 target response times from 15 working days to 10 working days. This was agreed and came into effect from 1 April 2014.
- The decision to reduce target response at stage 1 and stage 2 was taken as the complaints process took a total of 30 days to go through all the stages, and this length of time is on par with the majority of other London local authorities. There was an opportunity for the Council to take a lead in best practice to reduce the total numbers of days to go through all stages by 10 days, so now it takes 20 days to go through the process.
- The reduction in target response times is not having an adverse effect on performance. The figures for the first two quarters of 2014/15 indicate that stage 1 the target response time for the first two quarters of 2014/15 was met in 91% of complaints. For the same period in 2013/14 the target was met in 74% of complaints. Therefore the performance at stage 1 has improved since the introduction of the 10 working day target. A similar situation has arisen at stage 2 as the 10 day target response time was met for the first two quarters of 2014/15 in 76% of complaints. For the same period in 2013/14 the 15 working day target was met in 73% of complaints.
- Complaints arrangements are under review. There is a project investigating if there is a business case to create a single way of working across tri borough to adopt a consistent approach to managing complaints with a common two stage complaints process across all three boroughs, which make it simple for our residents, Council Officers and partner contractors to access and collaborate to resolve complaints. The project is also looking at the potential to include FOI, a managed MP and Member casework ICT platform. The aim is to realise efficiency savings and to try and improve customer satisfaction and reduce escalation through improved responses. The current aim is to develop a business case to present to the Corporate Services Portfolio Board for December 2014.

4. **Headline findings**

A reduction in the target response times for stage 1 and stage 2 –

A decision was taken in 2013/14 to reduce target responses times to 10 working days for both stage 1 and stage 2, (from 01//4/14). Previously they were both 15 working days.

There is no adverse effect from the reduction in target response times and figures for the first two quarters of 2014/15 indicate that at stage 1 the target response time was met in 91% of complaints, for the same period in 2013/14 it was 74%. For stage 2 the target response time was met in 76% of complaints for the first two quarters of 2014/15, and for the same period in 2013/14 it was met in 73% of complaints

Complaint Numbers – There has been an increase in the total number of complaints. In 2013/14 a total of 994 were received across all stages and services. In 2012/13 a total of 841 complaints were received. This represents an increase of 153 complaints (up 15%). The increase is generally attributed to an increase in the volume of stage 1 Finance complaints (HB, CT& NNDR)

UPHELD Complaints – The percentage of upheld complaints is low 28% (234 of 829) of complaints were upheld at stage 1. 14% (23 of 166) of complaints were upheld at stage 2 in 2013/14 and this indicates that overall there is not a problem with service delivery.

Escalation Rates – 20% of stage 1 complaints in 2013/14 escalated to stage 2

Compensation – There has been a decrease in the amount of compensation offered at Stage 2, (£2,600 for 2013/14 against £5,310 for 2012/13)

Response times – There has been an improvement in meeting the target response times at stage 1 which was reached in 93% of complaints against 88% in the previous year. At stage 2 there was a slight decrease with 75% meeting the target response time for 2013/14 against 76% for the previous year

Local Government Ombudsman (LGO) – The LGO Annual Review for the year ending 31 March 2014 provided no comment on the Council's performance

LGO Average response times - The council's average response time was 22 days against a benchmark of 28 days. In the previous year it was 25 days

LGO Financial Settlements – There has been a decrease in the amount of financial remedies. The amount of £3,950 was offered in 2013/14 against £13,340 in 2012/13

Leader and Cabinet Member Correspondence – The data provided indicates that there has been a reduction (down 95) in the volume of correspondence received

5. Complaint Volumes

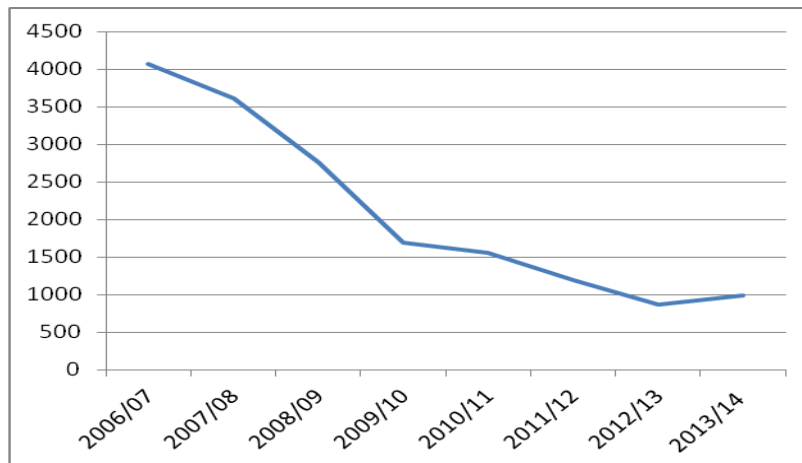
Table 1: Comparison of total numbers of complaints for 2012/13 and 2013/14

	2012/13	2013/14	Variance	% change
Stage 1	701	829	128	13%
Stage 2	140	165	25	15%
Stage 3	25*	nil	*	*
Total	841	994	153	15%

*These stage 3 complaints escalated from the old complaints procedure

- 5.1. As indicated in **Table 1** there has been an overall increase (up 153) in the total number of complaints across all stages of the complaints procedure. As shown in **Chart 1** this is the first year there has been an increase since 2006/07.

Chart 1: Total complaint numbers across all three stages for the years commencing 2006/07 to 2013/14



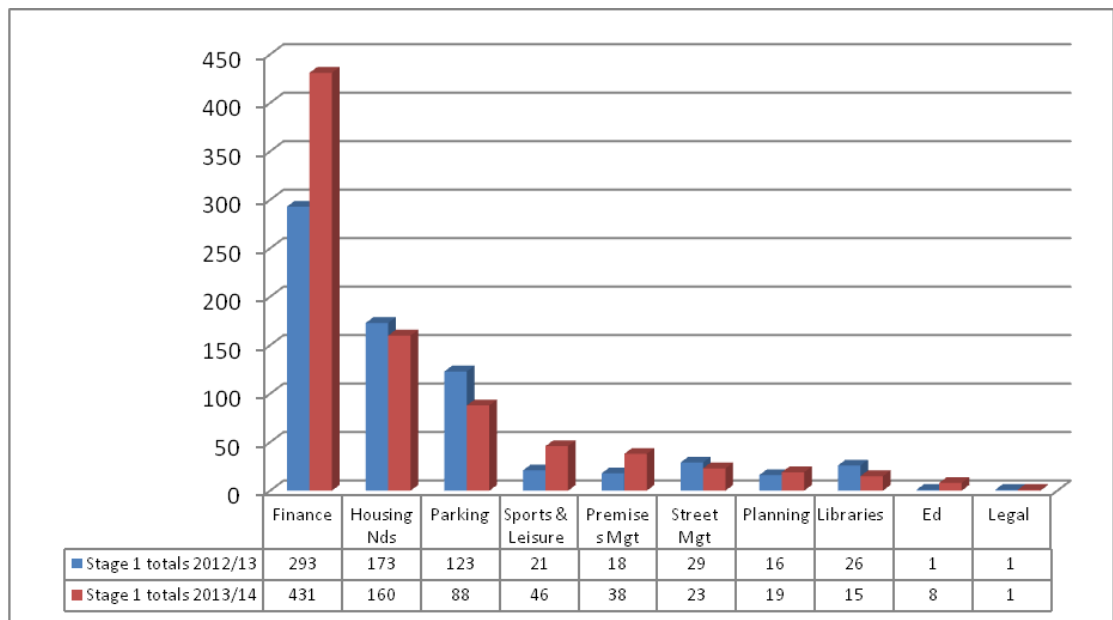
- 5.2. Given the data limitations, it is difficult to draw any firm conclusions from this increase. There could be a number of factors which could account for an increase in the stage 1 complaints such as the changes to housing benefits and the increase in homelessness and the shortage of housing. However as this report will demonstrate it is unlikely that the increase is due to a decline in service standards.

Volumes by service areas across all stages of each complaints procedure

Stage 1

- 5.3. It is difficult to report on complaint performance without reporting on complaint volumes. However, it should be noted that complaint volume is not a good indicator when trying to determine if services have been delivering good services or not. Complaint volumes need to be viewed with some context as the council successfully carries out the majority of transactions with its residents and customer, and very few requests enter the complaints procedure. For instance, there were a total of 67 stage 1 Council Tax complaints relating to 123,000 Council Tax properties (160,000 Council Tax accounts per annum), for Benefits the 351 stage 1 complaints needs to be taken in the context of there being 27,000 claimants in the borough. For Business Rates there were 13 stage 1 complaints relating to and 35,000 business rate properties.

Chart 2: Comparison of stage 1 complaint totals for 2012/13 and 2013/14



- 5.4. The volume of complaints comes from Finance which includes Housing Benefit (HB), Council Tax (CT) and Business Rates (NNDR), Housing Needs and Parking Services. This mirrors the previous financial year.
- 5.5. There has been a significant increase in the volume of complaints coming from Finance (up 138). There has been a slight decrease in

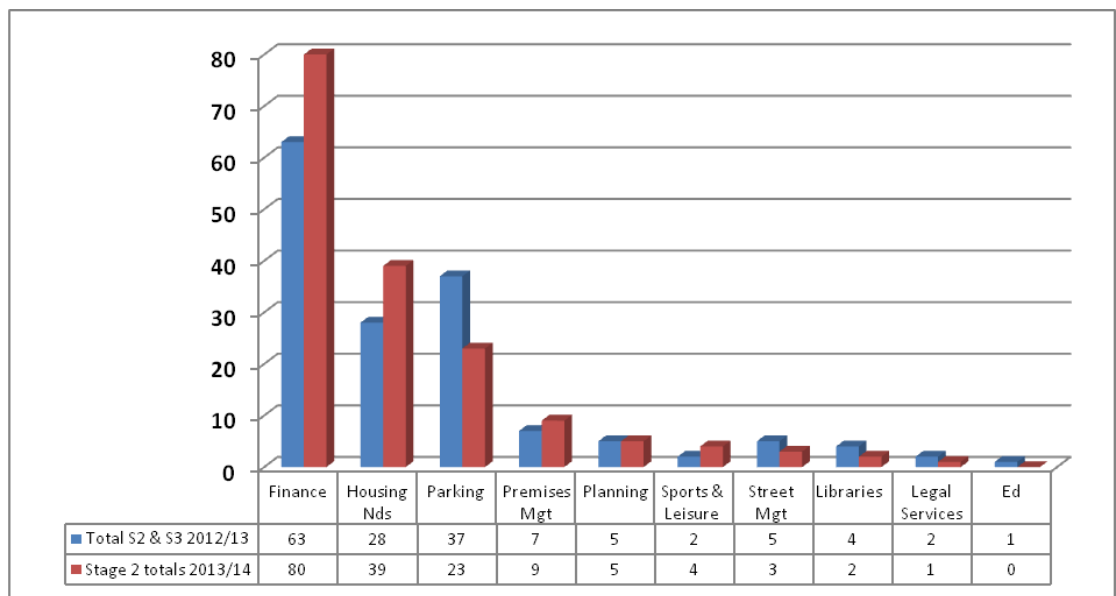
volume for Housing Needs and Parking Services when compared with the previous year. These totals need to be considered in the light of the information provided in item 5.3.

- 5.6. Finance cannot identify any specific cause for the increase although they have said that it is likely to be due to the nature of the services, the Welfare Reform changes and the fact that there is significant assistance available from third party advice agencies to signpost the complaint access route.

Stage 2

- 5.7. This is the second year the two stage complaints procedure has been in operation. However, in 2012/13 both old style stage 3 complaints and complaints which went to stage 2 of the new procedure were received. Therefore the totals for each have been added together to represent the full cross section of complaints received in 2012/13.

- 5.8. **Chart 3: Comparison of Stage 2 complaint totals for 2013/14 and Stage 2 totals for 2012/13**



NB: Data for 2012/13 is a mixture of old style stage 3 complaints as well as complaints made at stage 2 of the new procedure

- 5.9. Overall there has been an increase (up 12) in to total number of stage 2 complaints when compared with the preceding year. One of the direct outcomes identified when switching to a two stage procedure was the potential for an increase in the number of complaints coming to final stage as there are only two stages in the procedure. So rather than volume what is more relevant in a two stage procedure is why the complaint escalated i.e. was there no change in the decision made between stage 1 and the stage 2 response, and was the reason for the escalation due to a poor stage 1 response. Complaint decisions and the escalation of complaints are discussed later in this report.

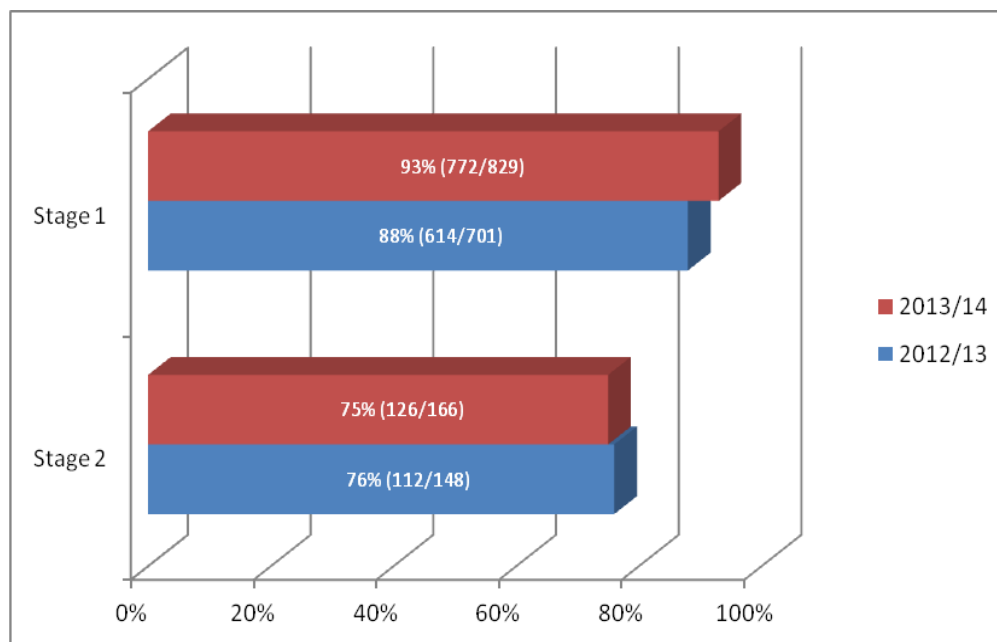
Response Times

5.10. For complaints received in 2012/13 the target response time was 15 working days for both **stage 1** and **stage 2**. Performance is measured by responses completed:

- Within target
- Those completed within 16 to 30 days
- Those completed over 30 days

5.11. As mentioned in item 3.1, in February 2014 the stage 2 target response time was reduced from 15 working days to 10 working days. This meant that for the last 6 weeks of the 2013/14 financial year a different target response time was in operation. The number of complaints this affected was small (27 complaints against 139 which had 15 working days as the target response time), and therefore the data in the graphs and charts represent those cases which met the target response time regardless of whether there was a 15 or 10 working day target in operation.

Chart 4: A comparison of target response times for Stage 1 between 2012/13 and 2013/14 and Stage 2 for 2012/13 and 2013/14



5.12. **Chart 4** above indicates that there has been an improvement (up 5%) in meeting the target response time at stage 1 when compared with performance for the previous year. Achieving an overall target response time of 93% for stage 1 complaints which represents a very good performance for the Council.

5.13. When comparing the performance of target response time at the final stage of the complaint procedure there was a slight decrease (1%) when compared with the previous year.

5.14. A more detailed breakdown of performance across the services can be found in **Table 2** (below)

Table 2: Comparison of % of complaints answered within target response for 2012/13 & 2013/14

	% Stage 1 completed within Target Response for 2013/14	% Stage 1 completed within Target Response for 2012/13	Performance indicator	% Stage 2 completed within Target Response 2013/14	% Stage 2 completed within Target Response 2012/13	Performance indicator
Housing Nds	90%	91%	▼	64%	54%	▲
Planning	74%	56%	▲	100%	40%	▲
Education	38%	100%	▼	0%	0%	▶
Parking	95%	78%	▲	78%	84%	▼
Finance	98%	96%	▲	79%	83%	▼
Legal	100%	100%	▶	100%	0%	▼
Libraries	93%	88%	▲	100%	100%	▶
Street Mgt	57%	45%	▲	67%	60%	▲
Sports & Leisure	96%	90%	▲	25%	100%	▼
Premises Mgt	81%	72%	▲	89%	100%	▼

▼	decline in performance
▲	improvement in performance
▶	no change

Escalation rates (from stage 1 to Stage 2)

5.15. As noted in item 5.3 complaint volume is not a good indicator when trying to determine if services have been delivering good services or not. As also mentioned in Item 5.8 what is of more value is the reason for the escalation of a complaint from stage 1 to stage 2 as what is more relevant in a two stage procedure is why the complaint escalated from stage 1 to stage 2 i.e. was the reason for the escalation due to a poor stage 1 response.

5.16. The Council's complaints procedure is open and welcomes residents wishing to make a complaint. The process is designed to learn from complaints so to improve service delivery and customer experience. The procedure has no bar to escalating a complaint so if a stage 1 complaint response has been received a stage 2 review is undertaken even if the complainant has not fully explained the reasons for escalating the matter. This approach allows the Complaints and Customer team the opportunity to review the stage 1 response to see if the response is robust. It also allows the complainant access to the

Local Government Ombudsman (LGO) if they are not satisfied with the stage 2 response. The LGO will not normally investigate a complaint unless it has been through both stages of the complaints procedure. This is why using the escalation rate from stage 1 to stage 2 as the benchmark for good complaint performance is not a good measure.

5.17. The **Chart 5** below indicates that the escalation percentage escalation rate for 2012/13 and 2013/14 remained the same at 20%. **Table 3** below provides a more detailed service comparison of the number and percentage of those complaints escalating from stage 1 to stage 2 (the final stage).

Chart 5 Comparison of escalation rate from stage 1 to stage 2 for 2012/13 and 2013/14

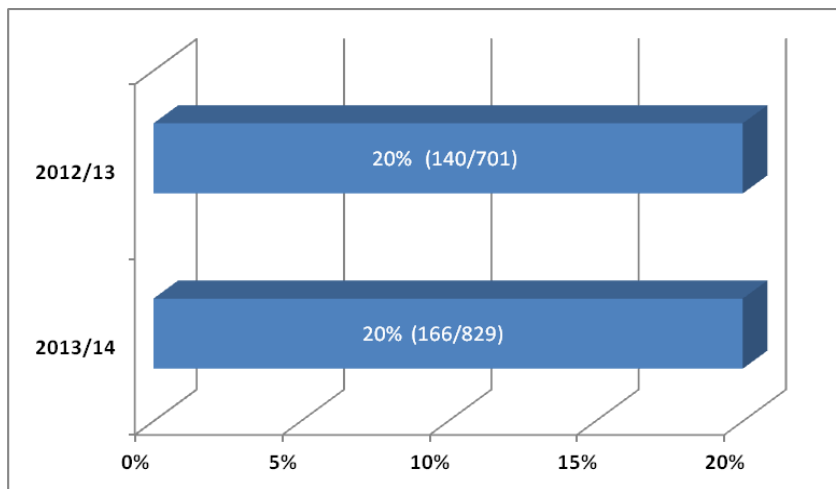







Table 3: A comparison breakdown of complaints escalating from Stage 1 to Stage 2 for 2012/13 and 2013/14

	Complaint nos 2012/13	Complaint nos 2013/14
	S1 to S2	S1 to S2
Housing Nds	26 (15%)	39 (24%)
Planning	3 (19%)	5 (26%)
Education	1 (100%)	None
Parking	34 (28%)	23 (26%)
Finance (HN/CT/NNRD)	58 (20%)	80 (19%)
Legal	None	1 (100%)
Libraries	4 (15%)	2 (13%)
Street Mgt	4 (14%)	3 (13%)
Sports & Leisure	1 (5%)	4 (9%)
Premises Mgt	7 (39%)	9 (24%)
Totals	140/701 (20%)	166/701 (20%)

Complaint decisions

- 5.18. An analysis of complaint decisions is a more reliable way of interpreting data when looking to see if concerns are being addressed within the complaints procedure.
- 5.19. An upheld complaint indicates that all the main component(s) of the complainant's dissatisfaction has been accepted by the service area. Therefore it is reasonable to conclude that high volumes of upheld complaints can be an indicator that there has been a problem with aspects of service delivery. If there is a small proportion of complaints being upheld against the total volume of complaints received this is an indicator that there is not a problem with service delivery.

Table 4: Comparison of complaint decisions for 2012/13 & 2013/14

	Stage 1	Stage 1		Stage 2	Stage 2	
	2012/13	2013/14		2012/13	2013/14	
Upheld	26% (183 of 701)	28% (234 of 829)		7% (10 of 140)	14% (23 of 166)	
Not Upheld	48% (334 of 701)	50% (416 of 829)		67% (94 of 140)	67% (111 of 166)	no change
Partially Upheld	26% (184 of 701)	21% (172 of 829)		26% (36 of 140)	19% (32 of 166)	

- 5.20. The data in **Table 4** (see above) indicates that there has been a slight increase (2%) in the percentage of Upheld decisions at stage 1 when compared with 2012/13.
- 5.21. It is worth noting that of the 234 complaints which were upheld at stage 1 of the complaints procedure 154 were related to mainly Finance (HB issues). The service area did undertake some analysis to see if there was a particular problem with any aspect of their service and they discovered that the team dealing with complaint correspondence were often being generous to the complainant in how they were classifying the complaint. In other cases the coding was incorrect. This has now been addressed and it is expected that the number of upheld complaints will fall significantly by the next review.
- 5.22. The percentage of upheld complaints is low (28% of stage 1 complaints and 14% of stage 2 complaints are upheld) and this indicates that overall there is not a problem with service delivery.
- 5.23. There has also been a slight increase in the percentage of Not Upheld complaints (2%) at stage 1, which is an improvement in performance when compared with the previous year.
- 5.24. A finding of Partially Upheld should only be used when the majority of the complaint concerns are Not Upheld, but there are some minor lapses of service delivery which the service area accept could have been done better, for example being more pro-active in communications.

- 5.25. There has also been a slight decrease (3%) in Partially Upheld complaints at stage 1 when compared with the previous year.
- 5.26. Overall, it seems that at stage 1 the levels of upheld complaints are not a cause for concern and when compared with the previous year the increase in the percentage of not upheld complaints and the decrease in partially upheld complaints support this finding.
- 5.27. When looking at the performance at the final stage (stage 2) of the complaints procedure **Table 4** revealed that there has also been an increase in upheld complaints at stage 2 (7%), and no change in performance for Not upheld complaints. There is also a reduction (7%) in partially upheld complaints.
- 5.28. Although there has been an overall increase in Upheld complaints when analysed it seems that 14 of the total of 23 Upheld decisions came from Finance and 11 of 14 related to HB. When these cases were analysed in 6 cases the change from stage 1 to stage 2 was minor in that a complainant asked for compensation which had not been offered at stage 1 even though the response accepted there were delays. HB has been reminded that if there have been delays in processing a claim they should take a view on whether the delay warrant an award of compensation and if not to explain why. Please note that compensation is paid by the relevant HB contractor and it does not come from Council revenue.
- 5.29. The percentage of upheld complaints is low and this suggests that the stage 2 investigation is finding very little fault in the stage 1 decisions across all services. Therefore the Council should have confidence that the standard of most stage 1 complaint responses is good.

An analysis of Stage 2 complaints

- 5.30. As mentioned in item 2.5 a more detail analysis of Stage 2 complaints can be made as this data is recorded by the Complaints and Customer team as it investigates the complaints on behalf of the Chief Executive. Having said that it should be noted that total complaint volume is low and only 20% (166 of 829) of stage 1 complaints escalated to Stage 2. The volume of these complaints coming from three services namely Finance, Housing Needs and Parking. Such a small proportion of complaints (20%) make it difficult to establish trends and/or generic service failings.
- 5.31. An analysis of all stage 2 complaints for 2013/14 revealed that there were no serious service failings in any of the 166 complaints. In many instances the various complaints were upheld because of human error, and not because there was something wrong with the way services have been delivered. While there were 23 (out of 166) upheld complaints as explained in item 5.28 of the 23 cases 11 came from one

service (HB). In 4 complaints compensation was awarded because of human error which caused a delay in the processing of claims. In two other complaints HB admitted not producing full responses. In another case there was a delay in assessing a claim but this was due to having to wait for the Rent officer to make a decision. Items 5.31 to 5.34 provide other examples of things that went wrong in other complaint responses.

- 5.32. There were 3 upheld complaints from Parking Services and two of these involved the issue of Disabled White and Blue badges. In both cases the badges were reissued as in one case a decision as to whether the applicant was still entitled to DLA was still being investigated by the DWP. Once the DWP finishes its investigation the Council will decide if the applicant is still entitled to the badges. In the other case the applicant had the badges owing to mobility problems as he waited for various operations. It was decided the badges could be kept for a further two years while the applicant awaited additional surgery.
- 5.33. There was 1 Planning case upheld at stage 2, and this involved the submission of an application to discharge conditions set by the Planning Inspectorate's decision and the complainant had not received the necessary approval by February 2014. The Planning Department accepted responsibility for some of the delays in processing the application, apologised and gave detailed advice which has resulted in the application being amended. It is very rare for a complaint about a Planning matter to be upheld.
- 5.34. There was 1 upheld complaint from Premises Management and this involved a complaint about noise being created by the early morning refuse collections at the Tate Britain. Although this was initially a noise concern the Noise Team involved the relevant local Warden and as a result the Council's refuse collection contractor Veolia and its crews were advised that there should be no collections prior to 8am to avoid any future noise disturbance.
- 5.35. When reviewing the partly upheld complaints most involved matters such as fuller explanations could have been provided, or additional communications could have been sent to keep the complainant informed of developments. Generally they are small oversights but need to be acknowledged so that the services can improve and provide the high standard of customer care the Council expects from its service delivery.

Compensation

- 5.36. When investigating a complaint if the council has found it did something wrong it will offer a remedy with the aim of putting the complainant back in the position he/she was in before the error occurred. It is not always possible to do that and sometimes an

apology is not enough. In such circumstances, and where appropriate, Officers can make an offer of financial compensation.

Table 5: Comparison of compensation offered at the final stage of the complaints procedure for 2013/14 & 2012/13

	2013/14		2012/13	
Stage 3 Compensation	Totals (£) offered in 2013/14	Nos of cases compensation was offered in 2013/14	Totals (£) offered in 2012/13	Nos of cases compensation was offered in 2012/13
Parking	£50	1	£535.00	3
Finance	£1,150	10	£4,725.00	4
Housing Needs	£1,400	1	£50.00	1
Premises Mgt			0	0
Education			0	0
Planning			0	0
Libraries			0	0
One Stop			0	0
Sports & Leisure			0	0
Street Mgt			0	0
Legal			0	0
Totals	£2,600	12	£5,310.00	8

5.37. As shown **Table 5**, when compared with the previous year there has been a decrease in the amount of compensation offered although there has been an increase in the number of individual cases where a financial remedy is required.

5.38. Data in **Table 5** indicates that the total compensation payment for Housing Needs was £1,400, and this was for one complaint. The case involved a disabled applicant who did not have her application updated to reflect her mobility points and this led to her missing out on bidding for a property. The issue was resolved at stage 1 and an offer of compensation for £280 was made. The complainant went to stage 2 as she wanted compensation in the amount of £10,000. At stage 2 the Complaints team looked at the guidance offered by the LGO and liaised with the service area regarding our findings and the offer was increased to £1,400. The complainant went to the LGO as he was still not happy with the offer however the LGO was satisfied with the Council's actions and offer of compensation made at stage 2.

5.39. A total of £1,150 was offered by Finance for HB/CT and NNDR complaints for 10 cases. The amounts were small and were generally made to reflect short delays in the claim process. However, this report notes that the compensation paid did not come from Council revenue and was paid by the Revenue and Benefit contactor as they were responsible for the original errors/delays.

6. Local Government Ombudsman (LGO) first time inquiries

- 6.1. When the LGO decide that they wish to investigate a complaint about council services they can do so by simply reviewing the information the complainant has provided and/or use information from various web sites or set out in legislation. If they want to obtain specific information from a local authority, such as asking questions or requesting copies of correspondence to assist in an investigation they will write to the relevant council with their request. This is known as first time inquiries. The volume and average response times of first time inquiries are used as the performance measures for both the LGO and the council.
- 6.2. The data in **Table 6** shows a decrease (down 16) in the number of first time enquiries when compared with the preceding year. This report also notes that these first time enquiries include 6 cases from Adults Social Care which were not investigated under the Council's Corporate Complaints Procedure, 3 cases from CWH of which 2 were investigated under CWH's own complaints procedure and 4 other cases from various services which had not entered the complaints procedure at all. Therefore 12 of the 31 first time enquiries did not escalate from complaints which had been through the Council's corporate complaints procedure, and 19 that did.
- 6.3. **Table 6: LGO total First Time Inquiries for the years 2012/13 & 2013/14**

	First Time enquiries Totals 2012/13	First Time enquiries Totals 2013/14	Variance
CityWest Homes	13	3	-10
Premises Mgt	2	0	-2
Education	1	0	-1
Street Mgt	0	1	1
Sports & Leisure	0	1	1
Finance-CT& NNRD	2	2	0
Finance - HB	8	4	-4
Housing Nds	11	9	-2
Parking	3	4	1
Planning	0	1	1
Adult's Social Care	5	6	1
Children's Social Care	2	0	-2
Legal	0	0	0
Totals	47	31	-16

- 6.4. **Table 7** provides a comparison of all LGO complaints received (including the 31 first time enquiries) for 2013/14 and 2012/13 against each service area, and this indicates that there has been an overall reduction of 8 complaints.

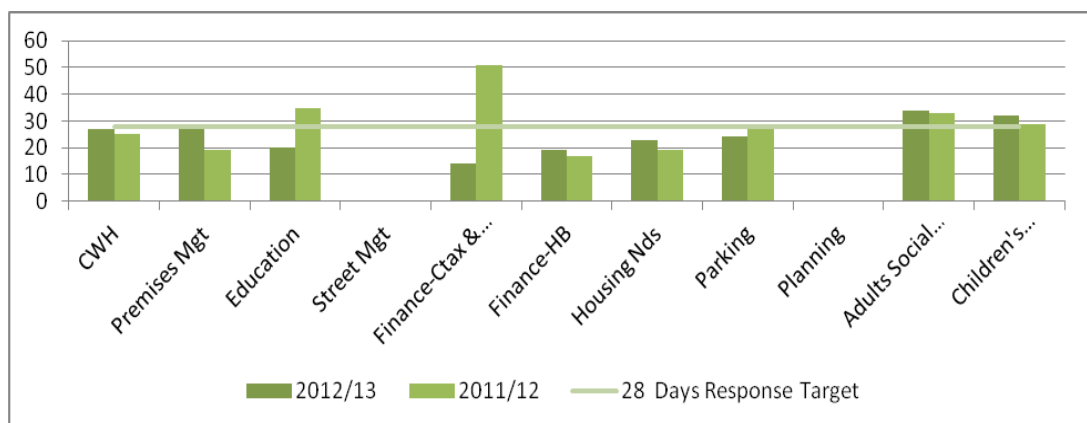
Table 7: A comparison of all LGO complaints received for 2012/13 & 2013/14

	LGO All Complaint totals for 2012/13	LGO All Complaint totals for 2013/14	Variance
Adults Social Care	6	7	1
Children's Social Care	2	3	1
CityWest Homes	20	8	-12
Education	2	0	-2
Finance (HB/CR/NNDR)	17	25	8
Housing Needs	16	17	1
Legal	1	1	0
Libraries	1	1	0
Parking	22	17	-5
Planning	1	1	0
Premises Mgt	5	4	-1
Street Mgt	1	3	2
Sports & Leisure	2	2	0
Corporate Property	1	0	-1
Total	97	89	-8

- 6.5. Looking at the 19 cases which escalated from the corporate complaints procedure (see item 6.2) the LGO found fault in 7 cases and findings of upheld and maladministration with injustice were issued. This classification of decision should not be confused with the issue of a formal report finding maladministration with injustice. From April 2014 the LGO changed the way it classifies its complaint decisions, and in particular a decision which was previously recorded as Investigation complete and satisfied with authority actions or proposed actions and not appropriate to issue report S30(1B), is now recorded as Upheld maladministration with injustice, or Upheld maladministration no injustice. If a formal report is issued the decision finding would be recorded as *Report issued: Upheld; maladministration and injustice*.
- 6.6. However, the new decision classifications do not reflect if the LGO has found any addition fault not identified in the Council's stage 2 investigation, and this is something for the local authority to advise and comment.

- 6.7. Of the 7 decisions where the LGO found maladministration with injustice there were 3 cases where the LGO agreed with the Council's stage 2 findings and the remedy offered at stage 2, and no additional fault was found. In two other cases the LGO asked for additional compensation to be paid, and in two remaining cases it asked two service areas to review some of its procedures. Housing Options was asked to look at information in their flyers relating to the advertising properties on choice based lettings so it is clear if the property is a one bed or studio flat. Parking Services was asked to review why it took so long to find out what payments had been received and how it can ensure payments are assigned to the right accounts quickly. This related to payments made direct to the Council when the matter was at bailiff stage. Usually all payments are made direct to the bailiff.
- 6.8. This does suggest that the stage 2 procedure is working and the LGO is not finding additional fault with the majority of cases which have been through the complaints procedure.
- 6.9. The LGO monitors all local authorities on their response times to first time inquiries. The benchmark used for this is 28 calendar days from the date on the LGO enquiry letter.
- 6.10. Data in **Chart 6** provides a comparative breakdown of the average number of days taken to reply based on the Council's records. The Council's calculation of 22 days for 2013/14 is well within the LGO benchmark of 28 days.

Chart 6: Comparison of average response times for first time enquiries (2012/13 & 2011/12)



- 6.11. The LGO produce an Annual Review/Letter which used to set out any concerns the LGO might have regarding the handling of complaints that are received about the council, together with any performance issues surrounding the volume of cases and meeting the 28 day benchmark for first time inquiries. The LGO has taken a decision not to provide comment on a Council's performance in the way it used to. A copy of the Annual Review Letter can be found in **Appendix B**.

6.12. The Annual Review letter for 2013/14 provided no comments on performance although it did provide two tables which show the number of complaints and enquiries this Council has received. The table includes all enquiries as well as complaints that have been issued a decision. However, it is worth drawing to your attention that while the tables say that 208 complaints and enquiries were received this figure does not represent actual formal investigations. Records show that the LGO sent decision letters in 89 cases (**see Table 7**). Of the 89 decisions 31 of these were first time enquiries discussed in items 6.2.

Table 8: A comparison of all LGO decisions received for 2013/14 & 2012/13

	2013/14	2012/13
Investigation complete and satisfied with authority actions or proposed actions	16 (18%)	7 (7%)
Investigation complete: No Maladministration	1 (1%)	*
Not investigated	21 (24%)	18 (19%)
Not upheld; no Maladministration	5 (6%)	*
Out of jurisdiction and no discretion	30 (34%)	17 (18%)
Premature Complaint	3 (3%)	13 (13%)
To discontinue investigation	5 (6%)	31 (38%)
Upheld Maladministration & Injustice	7 (8%)	*
Formal report finding maladministration with injustice	1 (1%)	0
Cases not completed (awaiting final decision)	0	5 (5%)

* decision classification not in use in that financial year

6.13. The data in **Table 8** sets out all the decisions made in the 89 cases the LGO decided in 2013/14. This indicates that the LGO did not investigate 51 cases as (30 were out of jurisdiction and 21 were recorded as simply “not investigated”. In 29 out of the remaining cases the LGO found no fault in the Council’s actions, and they closed a further 8 cases with the council agreeing to a remedy.

6.14. **Table 8** also indicates that as at the end of 2012/13 there were 5 cases still waiting final decision. One of these cases was closed on 24 September 2013 as the LGO published a formal report finding maladministration with injustice following their investigation into complaints against the City Council’s Homelessness Service. The complaint concerned the Council housing homeless families in non self-contained accommodation for more than 6 weeks. The law says that when families apply as homeless councils should avoid using B&B. If there is no alternative, councils should use it for no longer than six weeks.

6.15. A copy of the LGO report was sent to all Members under cover of the Report by the Monitoring Officer on 14 October 2013.

- 6.16. The report dealt with two complaints (Mrs A and Mrs B in the report); however the problems experienced by the complainants were not unique and in February 2013 the Council had 171 families in non self-contained accommodation for more than 6 weeks. This was due to an increase in homelessness since 2011 and this demand for housing from homeless households for whom the Council had a statutory duty exceeding both the available permanent social housing stock and the supply of self-contained Temporary Accommodation (TA.)
- 6.17. The Ombudsman found against the City Council on the grounds of maladministration with injustice because the Council did not comply with its statutory duties and used non self-contained accommodation for families in excess of six weeks.
- 6.18. At the time the report was published the problem of a shortage of supply of self contained temporary accommodation had been resolved, and the report notes the reasons behind the increase in homelessness and the actions taken by the Council to remedy the situation and concludes that:
- 'I am in no doubt that the Council has taken seriously its obligations to the homeless... The effect of the Housing Benefit cap has been acute in Westminster. And uncertainties over the (Temporary Accommodation) subsidy have made it difficult to procure accommodation from the private sector. The Council implemented various strategies...to prevent homelessness and to increase its supply of self-contained accommodation. By July 2013 there were no families who had been in B&B for more than six weeks (not under review or with an offer of accommodation.)'*
- 6.19. The report also acknowledged that the Council *'has always been committed to avoiding using B&B and accepts that it is not suitable for families.'*
- 6.20. As the report concluded that there had been an injustice as the two complainants, and other families, remained in bed and breakfast accommodation beyond the statutory 6 week period it *recommended* a compensation payment of £500 to Ms A and Ms B to acknowledge that it was unable to provide self-contained accommodation after the initial six-week period. Also to pay an extra £500 for each additional six-week period and to provide a similar remedy to the other 38 people who have complained to the LGO that they have suffered the same injustice.
- 6.21. There was a requirement for the LGO report to be considered by Cabinet and a formal decision taken whether to approve the report and accept the recommendations. This report was taken to Cabinet on 14th

October 2013 along with the report of the Monitoring Officer, and the following recommendations were endorsed:

- That the Cabinet notes and approves the contents of the Ombudsman's Report.
- That the Cabinet authorises that £500 is paid to Ms A and Ms B to acknowledge that it was unable to provide self-contained accommodation after the initial six-week period. And to pay an extra £500 for each additional six-week period and to provide a similar remedy to the other 38 people who have complained to the LGO that they have suffered the same injustice.
- That the Cabinet agrees to contact each effected household and will take the same approach to compensate those who have suffered an injustice as a result of being accommodated in non self-contained accommodation for more than six weeks.

- 6.22. Payment has been made to those affected by this decision and this includes writing to those other the other families who had not made a complaint and who were in bed and breakfast for more than 6 weeks and who were accepted as homeless and did not receive an offer of alternative accommodation.
- 6.23. The additional 38 cases referred to in the report are not recorded in the charts and graphs in this item. This is because the cases did not come through the normal route and would distort the figures that are usually reported.
- 6.24. A finding of maladministration with injustice by the LGO is not a common occurrence and the last time such a report was issued was in October 2009 and was a complaint about Parking Services.

Compensation

- 6.25. The LGO can award financial payments as part of a remedy for the complaint. The term "injustice remedied" is used to describe decisions where the council remedied or agreed to remedy any injustice to the LGO's satisfaction during the investigation so allowing the complaint to be closed. These remedies can include the payment financial settlements.
- 6.26. A comparative breakdown of LGO financial remedies for the years 2013/14 and 2012/13 can be found below (**Table 9**).
- 6.27. It is difficult to make performance comparisons between financial years as each complaint is dealt with on its merits. However, the **Table 9** (below) indicates there has been a decrease in the amount of financial

remedies. The amount of ££3,950 was offered in 2013/14 against £13,340 in 2012/13.

Table 9: Comparison of Financial Local Settlements 2013/14 & 2012/13

Financial Local settlements	Totals 2013/14	nos of cases		Totals 2012/13	Nos of cases
CWH	£0	0		£3,790	6
Parking	£0	0		£100	1
Finance (HB, CT & NNRD)	£1,450	3		£150	2
Premises Mgt	£0	0		£0	0
Housing Nds	£2,500	4		£2,800	3
Planning	£0	0		£0	0
Adults Social Care	£0	0		£6,000	2
Education	£0	0		£0	0
Children's Social care	£0	0		£500	1
Sports & Leisure	£0	0		Nil	0
Street Mgt	£0	0		Nil	0
Legal	£0	0		Nil	0
Totals	£3,950	7		£13,340	14

6.28. Of the 3 cases where a financial remedy was offered for Finance there was 1 award of £1,150. This was a case where a claimant was more than 8 weeks in arrears and the Landlord asked if his HB could be paid direct to him. The cheque for the back rent went to the claimant in error. The contractor agreed to pay the Landlord all of back rent, save the £1,000 which HB said the landlord could recover from his tenant's deposit. When the matter went to the LGO they decided that all should be repaid and they also requested a further £150 be paid to the Landlord for time and trouble. It is important to remember that the Council's Housing Benefit contractor pays for all compensation payments and the payments do not come from Council revenue.

7. Leader and Cabinet Members Correspondence

- 7.1. Correspondence addressed to the Leader and Cabinet Members, specifically in their capacity as an Executive portfolio-holder rather than as a Ward Councillor, will often take the form of a complaint or issue with a service that is provided by the city council and that falls under their portfolio. It can also constitute wider correspondence received by the Cabinet Member in the course of their portfolio.
- 7.2. The Cabinet Support section of the Cabinet Secretariat is responsible for the management of and collation of the statistical information about Cabinet Members' correspondence, and they have provided the relevant data.

- 7.3. The team had hoped to have installed a correspondence software system by now. The installation of a SharePoint system, developed by the Complaints Team, was significantly delayed, and the Tri-Borough Administrative Services Review – part of the Corporate Services Review – is now exploring the possibility for a single piece of software to log and manage correspondence across each of the Tri-Borough Councils (NB only members of Westminster’s Cabinet Secretariat team would have access to correspondence with Westminster’s Members).
- 7.4. The data provided in Table 10 indicates that there has been a reduction (down 95) in the volume of correspondence received.

Table 10: A breakdown of correspondence totals received by Cabinet Portfolio

Portfolio	2013/14	2012/13
Adult Services	16	27
Planning	131	133
Housing	131	171
City Management and Transport	43	30*
Sustainability (est. as a Cabinet Portfolio in May 2014)	7	-
Business	41	52
Parking	56	93
Children & Young People	54	68
Premises Management	9	15
Finance	7	23
Public Protection	16	11
Sports, Leisure & Parks	11	-
Libraries, Culture & Registrar Services	6	0
Totals	528	623

* (inc. Environment)

- 7.5. In the meantime, a more rigorous monitoring system has been put in place for logging correspondence, but it is still limited to providing details of the total volume of correspondence.
- 7.6. A review of policies and procedures for all Members correspondence, including Cabinet Members, is also being undertaken by the team, with improvements planned to accompany the installation of the new system.

APPENDIX A1

CityWest Homes - Customer Services Committee Yearly Report 2013/14

Customer Services Committee Yearly Report 2013/14

Report title:	Service improvement performance report for 2013/14
Lead officer:	Clare Maslin
Circulation:	For general circulation
Report outline:	This report presents the key learning's from complaints, satisfaction surveys and the service excellence programme
Recommendations:	The committee notes the contents of this report
Financial Implications: Is the proposal budgeted:	No N/A
Risk Management Undertaken: Mitigations/actions included in report	Yes No
Resident Consultation:	N/A
Impact on Equalities (direct/indirect):	Yes
Attachments:	

If you have any questions about this report please contact Clare Maslin
Tel: 020 7245 2064 or email cmaslin@cwh.org.uk

Complaints by area

The table below shows complaints received at all stages for the frontline teams by area and also comparison between the complaints

Service improvement monthly performance

April
2014

Complaints received

	Total 2012/13	March 2014	March 2013
Stage 1	310	24	23
Stage 2	38	2	1
LGO	10	0	1
Total	358	26	25

Complaints received YTD

	Tenants	Lessees	YTD 2013/14	YTD 2012/13
Stage 1	144	162	306	310
Stage 2	22	23	45	38
LGO	3	3	6	10
Total	169	188	357	358

Performance against WCC targets.

Performance indicator	Target	March	YTD	Target
Escalation to LGO	8	0	6	▲

Stage 2 performance

Performance indicator	Target	March	YTD	Target
Response rate at stage 2 Option 1 - written response	100%	100%	100%	▲
Response rate at stage 2 Option 2 - panel	100%	100%	100%	▲

Councillor and MP enquiries

Performance indicator	Target	March	YTD	Target
Response rate Cllr enquiries	95%	96%	95%	▲
Response rate MP enquiries	95%	100%	100%	▲



On target and upwards trend



Missed target and downwards trend

Complaints received by service area (housing management issues only)

	South		Central		North		West	
	March 2014	YTD	March 2014	YTD	March 2014	YTD	March 2014	YTD
Stage 1	3	26	0	16	2	10	3	19
Stage 2	0	5	0	1	0	2	0	3
LGO	0	1	0	0	0	2	0	1
Total	3	32	0	17	2	14	3	23

2	Results
2.1	<p>Complaints Yearly Stats</p> <ul style="list-style-type: none"> Local resolutions Throughout the year, we have witnessed a substantial increase in local resolutions being logged. In 2012/13, 196 were recorded, however this increased by 69% to 332 for this year. Of those 332 local resolutions, only 26 were escalated to stage 1. The reason for this is team are continuing their training with estate teams at a local level to ensure they are fully aware of how to log and resolve complaints a local level. Each month, we visit different estate offices and spend time talking through Orchard and in particular the logging of complaints which goes some way to explain the slight increases in local resolutions logged throughout the year. Furthermore, it provides us with the opportunity to engage with estate team and to emphasise the importance of logging and resolving issues at the initial point of contact. In addition, by dealing with issues at a local level, the estate office can establish relationships with residents that ensure they have trust and confidence in their local team to sort out any minor issues that they may encounter. However, there are still certain areas of the business that are reluctant to engage with residents and this has resulted in escalations to stage 1's. It may be prudent to consider further briefings or training for teams in relation to local resolutions to reinforce that at this informal stage it is the responsibility of the service area to respond and to try and resolve. Stage 1 complaints Compared with the previous year, we have seen a slight decrease of 1% of stage 1's from 310 in 2012/13 to 306 this year. However, as has been the pattern for most of the year, repairs complaints have actually increased from 219 in 2012/13 to 228 this year. In addition, last year saw 70% of the stage 1 complaints attributed to repairs issues, however despite the total number of complaints falling this year, the percentage of those that were for repairs increased to 74% The majority of stage 1's concerned building and property services, most of which related to leaks. The other common theme continues to be residents unwilling to make claims on their household contents insurance believing we should replace their personal items when they are damaged. The increase in repairs stage 1 is mainly a result of the relentless stream of wet weather during the winter exposed a number of frailties in the stock and stretched resources. This was not a situation that was unique to CityWest Homes however, as we were recently contacted by The Public Complaints Sector Network concerning the increase in repairs complaints through the winter period. In addition, they also requested a total number of repairs complaints stage 1's that we received throughout the year and compared them to Islington, Southwark, Hackney, Camden and Greenwich. In comparison with these other boroughs we did have the lowest complaint rate in relation to households with one repairs complaint for each 128 properties. There has of course been a recent restructuring of the repairs call centre which we hope will engage with residents regularly, provide them with updates and provide a frontline service that residents find helpful. After the first quarter of this year, we will be able to ascertain the kind of impact this has had on the number of complaints regarding repairs.

We have continued benchmarking through Housemark into others ALMO's and Councils timelines on complaints. The majority of the feedback suggested that the majority of councils and ALMO's do not consider complaints that relate to events that occurred more than 12 months ago. However, discretion to consider complaints beyond this depending on whether the impacts of the event have only just come to light (i.e. new bathroom installed over a year ago however the tenant has since been experiencing damp and transpires that there has been an underlying leak since the install of the bathroom).

In addition, a number of organisations do not allow stage 1's to be escalated to stage 2 immediately, but rather advise that this needs to be done after a certain amount of days ranging from ten working days to twenty. The feedback suggested that some organisations do not automatically escalate complaints as they want to understand whether more could be done at stage 1 or whether the customer is not providing sufficient evidence to escalate their complaint, which is a problem that we regularly encounter.

Both of the above issues are ideas that I would like to implement this year to determine whether it leads to a decrease in complaints but also to ensure that recommendations are followed through at stage 1.

- **Stage 2 complaints**

We received ten complaints in quarter four, meaning that our total for the year was 45 stage 2 complaints, compared with 38 for 2012/13. The yearly target was 35 stage 2 complaints. Whilst it is disappointing that we have exceeded our target for the year, the number of complaints has been exacerbated by a number of our prominent complainants raising issues with us this year.

Year to date, five of our prominent and repetitive complainants account for eleven of the 45 stage 2's received this year. One resident in particular has accounted for seven stage 2 complaints, which is just over 15% of the total received this year. The main issues that she raised concerned repairs and ASB and despite offers to meet with the resident she advised that she wished for all her concerns to be formally logged as stage 1's or stage 2's.

Furthermore, this is the second year that we operated without a stage 3; therefore, it may take us another year to really determine what kind of numbers we can expect annually from stage 2 complaints. However, despite the increase in stage 2's, we have reduced the number of ombudsman enquiries to six this year, which is two less than our target of 8. We believe that this figure is low in comparison with some other ALMO's and Councils although we are awaiting confirmation from the Ombudsman on this.

In a similar vein to the stage 1 complaints, the most recurring theme of the stage 2's were leaks and complainants requesting compensation for damage to items within their home following these leaks that should normally be claimed through their contents insurance.

I have also conducted some benchmarking into this issue and a number of respondents noted that if a resident makes what they deem to be a claim then it is treated as such. At the moment, our stance is that any claim for compensation is treated as a complaint and there is no real distinction between a claim and a complaint.

Going forward, it may be appropriate to create a clear separate processes for complaints and claims, however, this would need to involve the governance team who themselves may incur financial costs such as increased premiums should the number of claims increase. Furthermore, we should strive to create better awareness for tenants and lessees at sign up regarding contents insurance and the protection that it offers. I would like to pursue these ideas with the estate offices and the governance team to first of all determine if it is feasible and what kind of issues that they believe we may encounter.

Housing Ombudsman Complaints

Despite the increase in stage 2 complaints this year, we have actually seen a decrease in the number of these which have been escalated to the ombudsman. In 2012/13, ten of the thirty eight stage 2's were escalated to the Ombudsman compared with only six of 45 this year. What this clearly highlights is our ability to resolve these issues in house and to provide complainants with recommendations and actions which they are happy with. In addition, our continued communication with the resident after the stage 2 ensures that they are kept up to date and it allows us to follow the process right through to its completion and ensures that we carry out the recommendations that we made.

In the last 5 years, the number of escalations has decreased fairly dramatically. For example in 2008/2009, 21 complaints were escalated to the next stage, so our continued commitment to ensure complainants are satisfied at stage 2 has certainly contributed to the continual decrease in escalations.

This is the first year that we have worked with the housing Ombudsman and we are building a steady relationship with them, although there are some concerns over the length of their investigations and some of their findings.

Councillor and MP Enquiries

This year we received a total of 111 councillor enquiries, a 22% increase on last year's total. This can be mainly attributed to the fact that as of November 2013, we are logging all councillor enquiries which are sent to estate office staff as well as the service improvement team. The main cause of Councillor enquiries was around repairs with Councillor Dimoldenberg responsible for over half the enquiries made.

MP Enquiries rose slightly to 119 from 117 last year with over 98% of these coming from Karen Buck MP. Again this was primarily in relation to repairs; however, from October 2013 to March 2014, 65% of those repairs enquiries concerned the north of the borough.

Service excellence quarterly performance

2013/14

Visits to estate offices to test our service standards

Our service standards	Target	2012/13	2013/14	Trend
Accessibility	100%	99%	98%	▼
Cleanliness	100%	99%	98%	▼
Tidiness	100%	98%	95%	▼
Name badge worn and visible	100%	76%	78%	▲
Seen within five minutes	100%	94%	91%	▼
Staff member welcoming	100%	94%	93%	▼
Ready to help	100%	87%	90%	▲
Dealt with query at first point of contact	100%	100%	100%	▲

Telephone calls to test our service standards

Our service standards	Target	2012/13	2013/14	Trend
Answered call within four rings	100%	90%	91%	▲
Name given	100%	91%	98%	▲
Service area given	100%	93%	96%	▲
Dealt with query at first point of contact	100%	99%	100%	▲



On target and upwards trend



Missed target and downwards trend

Our service standards for 2013/14 are fairly consistent with the previous year, although we have seen a large increase of staff members giving their name when answering the phone, something that had been regularly highlighted by the shoppers in the past as not happening.

Concerning visits throughout the year, the table above is slightly misleading with the number of red arrows that are visible. Whilst the overall scores for accessibility, cleanliness and tidiness have fallen below last year, they still paint a picture of estate offices which are accessible with friendly staff that can help our residents with any queries they have.

Whilst these scores are useful and help us better understand the service being provided throughout the organisation, there is only so much we can take from these scenarios. As such, we have introduced an 'aspirational piece' for our shoppers to complete. This is a survey which we have asked them to fill out when they contact their estate offices or a team at 21GP out with their role as a mystery shopper.

This will give us a clearer indication of the type of service that we are providing on a day to day basis. We will analyse the responses at the end of the first quarter and will be forwarded onto the area managers.

APPENDIX B

A copy of the LGO Annual Letter for 2013/14

7 July 2014

By email

Mr Charlie Parker
Chief Executive
Westminster City Council

Dear Mr Charlie Parker

Annual Review Letter 2014

I am writing with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2014. This is the first full year of recording complaints under our new business model so the figures will not be directly comparable to previous years. This year's statistics can be found in the table attached.

A summary of complaint statistics for every local authority in England will also be included in a new yearly report on local government complaint handling. This will be published alongside our annual review letters on 15 July. This approach is in response to feedback from councils who told us that they want to be able to compare their performance on complaints against their peers.

For the first time this year we are also sending a copy of each annual review letter to the leader of the council as well as to the chief executive. We hope this will help to support greater democratic scrutiny of local complaint handling and ensure effective local accountability of public services. In the future we will also send a copy of any published Ombudsman report to the leader of the council as well as the chief executive.

Developments at the Local Government Ombudsman

At the end of March Anne Seex retired as my fellow Local Government Ombudsman. Following an independent review of the governance of the LGO last year the Government has committed to formalising a single ombudsman structure at LGO, and to strengthen our governance, when parliamentary time allows. I welcome these changes and have begun the process of strengthening our governance by inviting the independent Chairs of our Audit and Remuneration Committees to join our board, the Commission for Administration in England. We have also recruited a further independent advisory member.

Future for local accountability

There has been much discussion in Parliament and elsewhere about the effectiveness of complaints handling in the public sector and the role of ombudsmen. I have supported the creation of a single ombudsman for all public services in England. I consider this is the best way to deliver a system of redress that is accessible for users; provides an effective and comprehensive service; and ensures that services are accountable locally.

To contribute to that debate we held a roundtable discussion with senior leaders from across the local government landscape including the Local Government Association, Care Quality Commission and SOLACE. The purpose of this forum was to discuss the challenges and opportunities that exist to strengthen local accountability of public services, particularly in an environment where those services are delivered by many different providers.

Over the summer we will be developing our corporate strategy for the next three years and considering how we can best play our part in enhancing the local accountability of public services. We will be listening to the views of a wide range of stakeholders from across local government and social care and would be pleased to hear your comments.

Yours sincerely

A handwritten signature in black ink that reads "Jane Martin". The signature is written in a cursive style with a long horizontal flourish at the end.

Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

Local authority report – Westminster City Council

For the period ending – 31/03/2014

For further information on interpretation of statistics click on this link to go to <http://www.lgo.org.uk/publications/annual-report/note-interpretation-statistics/>

Complaints and enquiries received

Local authority	Adult care services	Benefits and tax	Corporate and other services	Education and children's services	Environmental services and public protection and regulation	Highways and transport	Housing	Planning and development	Total
Westminster City C	11	55	6	8	12	25	87	4	208

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Decisions made

Local authority	<u>Detailed investigations carried out</u>		Advice given	Closed after initial enquiries	Incomplete/Invalid	Referred back for local resolution	Total
	Upheld	Not upheld					
Westminster City C	18	57	9	53	7	77	221



City of Westminster

Audit and Performance Committee Report

Meeting or Decision Maker:	Audit and Performance Committee
Date:	26th November 2014
Classification:	General Release
Title:	Quarter two (April - September 2014) Finance and Performance Report
Better City, Better Lives Summary	Report provides assurance against key Better City, Better Lives projects and initiatives
Key Decision:	Review and challenge Officers on the contents of the report
Financial Summary:	Period 6 (September 2014) finance position reported.
Report of:	Steven Mair, City Treasurer Julia Corkey, Director of Strategy and Communications

1. Executive Summary

- 1.1 This report provides the quarter two (April – September 2014) update to the Audit & Performance Committee on the City Council's financial position, delivery against the 2014/15 business plans and Better City, Better Lives projects and initiatives.
- 1.2 The report informs Members of how the City Council is delivering on its key objectives and provides an opportunity to hold Officers to account and steer improvement activity where necessary.

2. Recommendations

- 2.1 That the Committee notes the content of the report.
- 2.2 That the Committee indicate any areas of the report that require further investigation.
- 2.3 That the Committee highlights any new emerging risks that have not been captured.

3. Background, including Policy Context

- 3.1 The report sets out how the City Council is delivering on the Better City, Better Lives vision and Medium Term Savings Plan.

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

**Steven Mair, City Treasurer
Mo Rahman, Business Analyst, Tel: 020 7641 3480;
email: mrahman@westminster.gov.uk**

2014/15 FINANCIAL YEAR OUTTURN REPORT AS AT P6

Key Messages for Projected 14/15 Outturn:

Revenue

At Period 6, the Council is projecting an overall deficit to budget of £3.47M before the impact of planned management action. Proposals to address the overall projected overspend, in Housing, mainly through bringing forward savings proposed under Medium Term Planning and mitigation across the portfolio, are being actively examined.

Capital Expenditure

The total projected outturn for capital is £64.24M, a £6.72M increase against the 14/15 approved budget. This is due to the unbudgeted £21.66M for development opportunities including the purchase of Cavendish Square Gardens and related Car Park, offset by delays on projects within Libraries (£9.76M) and Property (£4.99M).

SECTION 1: REVENUE PROJECTED OUTTURN

1. Operating Budget

The Council set an operating budget of c£211M of expenditure. The projected outturn (at P6) against this budget is a £3.47M deficit which is due to adverse movements within Service Areas (see Table 1 which reports budgets, projected outturn and variances by Service Area).

2. Service Area Revenue Projected Outturn

The adverse variance of £3.47M to budget (see table 1 below) is made up of the following:

- Unfavourable variances (overspends) to budget within:
 - Housing where the service is reporting an overspend to budget of £3.7M which is primarily due to a combination of factors including high homelessness levels, out of borough placement being challenged and the Government's subsidy levels partly offset by savings in Rough Sleepers and Supporting People and for employee costs from temporarily vacant posts. Proposals to manage the budgetary overspend over the medium term are being actively examined and it is proposed to eliminate the cumulative deficit by 2017/18.
 - Libraries & Culture where the service is reporting an overspend to budget of £0.15M due to a reduction in ceremonies income following the loss of the Council House venue.
- Favourable variances (underspends) to budget within:
 - EMT & Strategic Support which is projecting an underspend of £0.2M relating to employee cost underspends from vacant posts held within the Change & Performance Management Unit and Strategy & Communications Unit, as well as additional trading income from the Sutton Communications contract.
 - Finance & Operations which is projecting an underspend of £0.13M is made up of a number of variances across the portfolio.
- A break-even, or near break-even position is reported in all other Service Areas.

Table 1 – Revenue Projected Outturn by Service Area

P6 FULL YEAR ANALYSIS			
SERVICE AREAS	Budget	Projected Outturn	Projected Variance
	£000	£000	£000
Adults Social Care	81,867	81,867	0
Children's Services	40,391	40,391	0
Libraries & Culture	6,910	7,060	(150)
Built Environment	15,594	15,544	50
City Management	50,289	50,289	0
Parking	(54,019)	(54,019)	0
Housing	26,982	30,682	(3,700)
Property	(916)	(916)	0
Sports & Leisure	891	891	0
Public Health	(1,217)	(1,217)	0
EMT & Strategic Support	9,882	9,682	200
Finance & Operations	34,545	34,411	134
SERVICE AREA TOTAL	211,197	214,663	(3,466)
Government Funding	231,396	231,396	0
Corporate Income	1,000	1,000	0
Total Funding / Income	232,396	232,396	0
Less: Corporate Financing	23,290	23,290	0
Corporate Financing	209,107	209,107	0
Net Surplus/(Deficit)	(2,090)	(5,556)	(3,466)

SECTION 2: CAPITAL EXPENDITURE PROJECTED OUTTURN

For 2014/15 the projected outturn for Service Areas as at Period 6 is £64.24M which is £6.72M above the approved budget. (See Table 2 which reports budgets, projected outturn and variances by Service Area).

In September Property presented their new 5 year strategy to CAB/EMT outlining expenditure plans. The projected outturn for 2014/15 includes the £17.82M for Cavendish Square Gardens and Underground Car Park and a further £3.84M in development opportunities.

Property is projecting an outturn of £6.43M which is £4.99M below the 2014/15 Approved Budget. The reduction is due to a number of movements, primarily the revised profiling (and delay until subsequent years) of City Hall refurbishment and landlord's responsibility costs.

Following the temporary suspension of the Marylebone Library scheme the projected outturn has reduced by £9.69M against the 2014/15 Approved Budget. The revised project is due to be presented to Gate 1 shortly.

Table 2 – Capital Expenditure Projected Outturn by Service Area

Period 6 Full Year Analysis			
Service Areas	Forecast	Projection	Variance
	Net £000	Net £000	Net £000
All Service Areas			
Adults Social Care	933	933	0
Children's Services	4,713	4,717	(4)
Libraries & Culture	11,691	1,929	9,762
Built Environment	14,180	12,698	1,482
City Management	2,582	2,401	181
Parking	2,000	2,000	0
Housing	1,143	1,023	120
Property	11,424	6,432	4,992
Sports & Leisure	855	605	250
Finance & Operations	3,000	3,000	(0)
NET BUDGET POSITION	52,521	35,738	16,783
Contingency	5,000	5,000	0
Self financing		1,844	(1,844)
Development Opportunities		21,661	(21,661)
SELF FINANCING TOTAL	5,000	28,505	(23,505)
TOTAL (NET)	57,521	64,243	(6,722)

SECTION 3: FINANCE STRATEGIC PROJECTS

At Period 6 the status of Finance Strategic projects is as follows:

Finance/HR Managed Services Programme – This remains the key strategic project for the Finance Team which is continuing to work, in conjunction with PWC, BT and TriBorough colleagues towards a successful go-live on 1st April 2015. Work is ongoing to ensure continuity of supply from affected outsourced suppliers until go-live.

Medium-Term Financial Planning/Strategic Planning – Circa £76M of potential savings have been identified to date. Detailed assurance is now underway and a status report on the deliverability of the proposals was brought to EMT on 2nd September. Work is ongoing to support EMT and the Medium Term Planning Cabinet Sub Group meetings. These sessions will review, and give a steer on these options which go forward for critical review.

Annual Accounts Plan - The Annual Accounts Project is underway and work is progressing toward implementing improved business as usual processes to facilitate the more efficient production of the Council's annual accounts for 2014/15. By applying project management methodology, enhancing the Council's technical expertise and implementing rigorous quality assurance techniques, we will be assuring the production of the annual accounts in May 2015.

2014/15 QUARTER 2 PERFORMANCE REPORT

PORTFOLIO HOLDER: Julia Corkey, Director of Strategy and Communications

REPORT AUTHOR: Mo Rahman, Research and Intelligence

DATE: 26th November 2014

SUMMARY: This report provides the quarter two (April – September 2014) update to the Audit & Performance 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
3. Committee highlights any new emerging risks that have not been captured

CONTENTS

1. Introduction
2. Key Messages for quarter two
3. Better City, Better Lives project updates
4. Overall summary of progress against business plans
5. Delivery against 2014/15 Business Plans by EMT directorates
 - 5.1 Tri-borough Adults Services
 - 5.2 Tri-borough Children’s Services
 - 5.3 City Management & Communities
 - 5.4 Growth, Housing & Planning
 - 5.5 City Management, Sports and Leisure
 - 5.6 Tri-borough Corporate & Commercial Services
 - 5.7 Corporate Support Services
6. Appendix 1 – Performance Indicator Assessment

1. INTRODUCTION

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

Westminster's Performance Management Framework including the Quarterly Report and Monthly Dashboards have been updated to accommodate the recent changes to the [Council's organisational structure](#). The new structure includes the establishment of a new Executive Management Team (EMT) of Senior Directors. The new EMT will, under the Chief Executive, be tasked with ensuring services are delivered in a more integrated way whilst providing greater visibility to Cabinet Members about lines of accountability and responsibility within the management of the Council. It is therefore vital the Corporate Performance Team ensures that the Council's Performance Management Framework and reporting continue to meet the business needs during this period of change.

EMT will collectively lead the Council and work together to drive performance improvements. Each Senior Director will be responsible for a portfolio of services, set out in the table below.

Executive Director	EMT Directorates	Portfolio of Services
Liz Bruce	Tri-b Adult Services	<i>Social Care Provided Services, Mental Health, Safeguarding Adults, Social Care Operations and Integration, Public Health</i>
Andrew Christie	Tri-b Children's Services	<i>Education, School Standards, Vulnerable Children, Admissions, Fostering & Adoption, Youth Offending Service, Family Services</i>
Leith Penny	City Management & Communities	<i>Parking, Waste, Parks & Cemeteries, Public Protection & Licensing, Highways & Transport, Area Working & Neighbourhoods, Sports & Leisure, Libraries (reporting line tbc)</i>
Ben Denton	Growth, Planning & Housing	<i>Housing, Economic Development, Transportation & Infrastructure, Planning, Property & Estates, Special Projects</i>
Jane West	Tri-b Corporate & Commercial Services	<i>HR, Legal, ICT, Procurement, Pensions & Treasury, Revenues & Benefits</i>
Director	Directorate	Portfolio of Services
Julia Corkey	Corporate Support Services	<i>Strategy and Communications – Communications, Policy, Business Planning, Cabinet Secretariat & Member Services, Programmes, Performance, Intelligence, Research and Community engagement</i>
Steven Mair		<i>City Treasurer – Corporate Finance, Business Partner Team, Business Improvement</i>

The Quarterly Performance Report provides an evaluation of performance for each EMT directorate and the respective services that fall within it. Any areas of concern, such as missed deliverables or indicators performing significantly below target have been subject to a more detailed exception report.

2. KEY MESSAGES FOR QUARTER 2

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 second quarter with the majority of service deliverables on track to be delivered by their agreed deadlines. The majority of performance indicators are also on track to achieve target.

Spend and Savings

- ⌘ At the end September, service areas are projecting an overspend of £3.47m against the net budget position of £211.2m for the Council.

At the end of September, a significant number of savings plans are in place to deliver on the £23.3m savings target for the year. To date, 53% of plans have either been completed or are being implemented to deliver £12m and 34% of plans are in place to deliver £8m. However there are no plans in place to deliver £3.3m of the savings target.

Tri-borough Children's Services

- ⌘ The target to reduce the **proportion of young people coming into care aged 14-17 years** has been impacted by an increase in the number of Unaccompanied Asylum Seeking Children and the number of secure remands in response to the Pimlico Metropolitan Police activity. During quarter two 66% were reported to be coming into care against our target of 54% for the year.
- ⌘ **Recruitment of foster carers** remains a challenge for the Children's Service. To date only three foster carers have been recruited, against a target to recruit 20 by April 2015.

In the 2014 academic year results showed that 70% of Westminster pupils achieved 5 grade A*-C GCSEs, including English and Maths, the same rate at the previous year. This result maintains Westminster's position well above the national rate of 59%.

- ✓ To date 43% (275) of families on the Troubled Families Programme resolved their offending, anti-social behaviour, and poor school attendance.

City Management and Community Services

Waste and Parks - 23 Green Flags have recently been awarded to Westminster's Parks and Open Spaces; second highest total in the UK after London Borough of Hillingdon.

Parking - Installation of the 3,000 parking bay sensors across the West End has now been completed. It is still envisaged a further 7,000 sensors will be rolled out across the rest of the City, making Westminster the first local authority to roll out this technology across its entire road network.

Sports and Leisure - The Sayers Croft Centre has been awarded the national 'Learning Outside the Classroom Award'.

Growth, Housing City Management and Community Services

Property Services - The capital disposal programme begins in October 2014 and is targeting approximately £50m of capital receipts by year-end. Although only £0.4m of capital receipts has been received to date, disposals this year are confidently expected to reach about £50m. These will be used to fund the acquisition of other properties to further enhance the value and the income-generating potential of the investment portfolio.

Housing - The target to deliver 478 new affordable homes in Westminster in the next two years is now on track having slipped in quarter one. This was due to the delays in the Merchant Square scheme which will provide 42 new affordable housing units, this work has now been delivered which has brought our affordable housing supply back on track.

Economic Development - At the end of quarter two, 158 residents have been supported into paid employment opportunities.

Tri-borough Corporate and Commercial Services

⌘ **Human Resources** - Temporary Agency Contractor (TAC) numbers are improving with our current number being close to the target level set for 2014/15 of 300. Costs however continue to increase with the rolling year total to the end of September being over £17m.

⌘ **Human Resources** – Staff turnover has increased this quarter to 12% for the rolling year to September.

Treasury and Pensions - At the end of quarter two, the income generated from the Investment Portfolio stands at £2.33m (57% of the full year target). If the current performance level is maintained we would exceed the target of £4.1m for 2014/15.

Employment - At the end of September, there are 16 apprentices and 13 interns within Westminster. The supported employment project continues to progress, a very successful launch event was held at the beginning of October as a result additional 19 employment opportunities have been offered within Westminster.

Executive Management Team Support Services

Digital - The 'Report It' tool has been launched on Westminster's website. This tool will allow the public to quickly and easily report any issues on streets and roads.

Communications (audience campaigns) - the service has successfully completed a number of audience led communication campaigns in quarter two. These include promoting the Soho create festival, West End LIVE, supporting vulnerable adults including older people by encouraging self-service, use of Community Hubs and reablement services, coordination of communications around the Westbourne Green vote and support of the Housing Renewal Programme.

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

3. 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, 63 are on track to be delivered in 2014/15. However, the remaining four projects are at risk which are:

- ⌘ **Deliver 60 housing specialist housing units for older people at Darwin House**
Following the review on the recent consultation on the Clinical Commissioning Group project, there were a number of concerns raised by the local community therefore a decision was made to put the project on hold in order to allow Council officers to have a conversation with key stakeholders on the way forward. The position will be reviewed again in the next few months.
- ⌘ **Reduce the number of smokers in Westminster by around 3,000 per annum**
At the end of quarter two, results show 503 people had successfully quit smoking through NHS Stop Smoking Service (18% of the full year target). To increase numbers a new service provider was appointed in early 2014. During quarter two, the new provider increased the number of advisors to support smoking quitters and set targets for GP clinics to increase smoking quitters.
- ⌘ **Public realm improvements to retail environment of the Queensway area**
The public realm improvements to Queensway have been delayed. This is waiting for Cabinet Member decision to proceed, with the decision expected by the end of November 2014.
- ⌘ **Licensing Protocol - Prepare to implement a licensing fee system based on cost recovery.** This is currently off track whilst awaiting the Home Office 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.

4. PROGRESS AGAINST THE 2014/15 BUSINESS PLANS

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 second quarter. However there are a few areas that require some attention, details of which are highlighted in this report.

- **The majority of service deliverables are on track to be delivered by their agreed deadlines.** 74 (15%) have been completed in quarter two, with a further 385 (79%) on track to be delivered by their agreed deadlines in 2014/15. 29 (6%) of deliverables are off track and would need some further monitoring to ensure the deadlines are satisfied.
- **Majority of performance indicators are on track to achieve target levels for the year.** Target information is available for 71 indicators, of these 58 (82%) are on track to meet annual targets and 13 (18%) are off track. The full list of indicators is available at Appendix 1.

Further details are provided in Section 4 below.










5. DELIVERY OF 2014/15 BUSINESS PLANS BY EMT DIRECTORATE

This section provides an overview of how each EMT directorate performed in the second 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.

5.1 TRI-BOROUGH ADULT SERVICES

> Overall summary of performance






Adult Services have performed well in the second quarter of the year, with no service priorities being off track to be delivered by deadline. Nine deliverables and three performance indicators were off track at the end of September. Details of this and overall performance of the Adult Services Portfolio can be found below:







11 Service Priorities		9 (82%) service priorities have been delivered, or are on track for delivery		2 (2%) of service priorities have are slightly off track for delivery		No service priorities are off track for delivery by deadline
68 Deliverables		9 (13%) have been completed		50 (74%) are on track to be delivered on time		9 (13%) off track and unlikely to be delivered on time
13 Performance indicators*		1 (8%) target has been achieved		9 (69%) are on track to achieve target by year end		3 (23%) off track and unlikely to achieve target

*Note: the availability of data for some of the indicators varies throughout the year.

> Delivery against key service 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 second quarter of 2014/15.

Service Priority	Aggregated Assessment
Adult Social Care Services	
1 Supporting people to recover and retain Independence	 2 Deliverable – 1 On track and 1 off track 7 Indicators – 6 On track and 1 off track
2 Carers feel well supported in their caring	 1 Indicator – All on track
3 Services are value for money and deliver desired outcomes for individuals	 1 Indicator – All on track <i>Note: in total there are 4 indicators against this priority, 3 of which data is available at year end.</i>
4 Ensuring efficiency and quality of operational services	 1 Deliverable – On track
5 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

Service Priority	Aggregated Assessment	
Public Health		
6	Address the determinants of health and wellbeing and reduce health inequalities where people live and work	 12 Deliverables – 3 Complete and 9 on track
7	Help people to live healthy lifestyles and make healthy choices, starting as early as possible and providing life-long support	 37 Deliverables – 4 Complete, 25 on track and 8 off track 4 Indicators – 3 On track and 1 off track
8	Protect the population’s health from major incidents and other threats	 1 Deliverables – On track
9	Build personal and community resilience and improve the quality of caring services offered	 4 Deliverables – 1 Complete and 3 on track
10	Develop teaching, training and academic rigour in Public Health practice, as a local and national resource	 8 Deliverables – 1 Complete and 7 on track
11	Spending Council resources wisely	 2 Deliverables – 2 On track

> Key service updates

The updates below provide an overview by exception on the progress against the BCBL initiatives, key services deliverables and indicators. Areas of positive performance are denoted by [✓] and areas for attention, where performance is at risk or failing to deliver, are denoted by [⚠].

Better City, Better Lives projects

Majority of projects within Adult Services are on track to be delivered and have met their quarter two milestones.

- ✓ **Deliver better quality local Specialist Supported Housing for Older People**
In September, work commenced on our programme to deliver 108 new supported housing flats and 108 additional nursing and residential beds in Westminster by 2020.
- ✓ **Combat social exclusion and isolation for older people**
On Sunday 5th October more than 60 events took place across Westminster to engage thousands of isolated older people in free events including tours of some of the UK's most renowned landmarks; free sporting activities; film screenings and sing-alongs. Evaluation work is currently being carried out to assess the effectiveness of these events.
- ✓ **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. To date, 393 adults and children attended obesity prevention programmes. We anticipate exceeding the target of 570 set for the year.
- ⚠ **Deliver 60 housing specialist housing units for older people at Darwin House**
Following the review on the recent consultation on the Clinical Commissioning Group project, there were a number of concerns raised by the local community therefore a decision was made to put the project on hold in order to allow Council officers to have a conversation with key stakeholders on the way forward. The position will be reviewed again in the next few months.

Key service deliverables

The majority of service deliverables are on track with a few milestones around the establishment of a single Tri-Borough model of social work flagged as off track.

- ⚠ The necessary modifications are being made to care practice and systems across **Adult Services to ensure compliance with the new Care Act requirements**. This will help establish a single Tri-Borough model of social work aligned to Whole Systems Integrated Care, and compliant with the Care Act. However a number of key milestones have been missed which has meant the implementation of the new operating model (systems, staffing and structure) by April 2015 is unlikely. A report will be presented to the Care Act Board for review and challenge. The outcome of this will be provided in the Quarter 3 Performance Report.

Key performance indicators










The majority of performance indicators are on track with only two indicators flagged as off track.

- ✓ There has been strong performance against the reablement targets in the second quarter of 2014/15. Overall 70% of people **completing reablement require no service, or a very low level service**. The number of people supported at home continues to rise with 4,197 reported at quarter one exceeding our target of 3,953 for the year.
- ⚠ There has been a slight increase in the number of **people supported in permanent residential care** from 270 in quarter one to 274 in quarter two. This increase is marginal and not a concern at present however will continue to be monitored monthly by the department. The rate of **delayed transfers of care from hospital** per 100,000 has also increased by 12% from 242 in quarter one to 272 in quarter two. These indicators are volatile and subject to rapid change, this is being actively managed by commissioning, operational services and our health colleagues.
- ⚠ **Supporting adults with disability into employment** continues to be a local and national challenge, however there has been progress in quarter two and the department is currently tendering for a new employment support service due to go live early 2015. The new service will be across LBHF, RBKC and WCC. It will focused on people with a learning and physical disability. Each individual job coach will work with 25-30 clients per year. There is an expectation that for the City of Westminster:
 - 120 clients will be supported per year
 - 30% of those will in paid employment for 6 months or more - 30% rising to 50%
 - Of those new referrals – approximately 60 per year, 50% should have job starts in the year

5.2 TRI-BOROUGH CHILDREN'S SERVICES

> Overall summary of performance







There has been good progress by the Children's Services Portfolio against their deliverables and indicators for 2014/15. None of the deliverables are off track for delivery, and only one of the 16 performance indicators did not meet target levels. The full details of the performance of Children's Services can be found below:

6 Service Priorities		6 (100) service priorities have been delivered, or are on track for delivery		No service priorities at risk or slightly off track for delivery		No service priorities are off track for delivery by deadline
26 Deliverables		2 (8%) have been completed		24 (92%) are on track to be delivered on time		No deliverables off track for delivery by deadline
16 Performance Indicators*		2 (13%) targets have been achieved		13 (81%) are on track to achieve target by year end		1 (6%) off track and unlikely to achieve target

*Note: the availability of data for some of the indicators varies throughout the year.

> Delivery against key service 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 second quarter of 2014/15.

Service Priority	Aggregated Assessment
Children's Services	
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 3 Indicators – All on track
2 Children in care and care leavers are safe, healthy and succeed	 4 Deliverables – All on track 6 Indicators – 5 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 – 2 Complete, 10 on track 4 Indicators – 2 Achieved and 2 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 3 Indicators – All on track

> Key service updates

The updates below provide an overview by exception on the progress against the BCBL initiatives, key services deliverables and indicators. Areas of positive performance are denoted by [✓] and areas for attention, where performance is at risk or failing to deliver, are denoted by [⚠].

Better City, Better Lives projects

✓ Day Care opportunities for two year olds

The current Department for Education (DfE) termly data release identifies 675 families in Westminster, who meet either the 20% or 40% entitlement. This is significantly lower than the original DfE estimate of 886. At present there are sufficient places to meet demand and the turnover in the Autumn 2014 term, which ensures all 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.

✓ 50% of families on the Troubled Families Programme resolved their offending, anti-social behaviour, and poor school attendance

The percentage of families successfully resolving their issues is expected to increase during 2014-15 with more positive outcomes and results becoming evident. The original target was 790 but following negotiations with Department for Communities and Local Government (DCLG) a reduced cohort size from 790 to 640 has been agreed with DCLG. The latest claim in August 2014 saw improvements in 31 families and to date 43% (275 of 640) families have successfully resolved their issues.

Key service deliverables

- ✓ Children's Services is preparing to pilot an integrated (health and education) 2 year assessment in Queens Park Ward between Sept 2014 – Dec 2014. A key part of this is establishing clearer pathways for practitioners to refer, and ensuring that children with additional needs are identified early and interventions are in place. In addition, we are establishing a Children Centre model for the delivery of a Families and Schools Together (FAST) programme, based on the success of the FAST programmes already taking place in Westminster schools to bring together parents, children, teachers and the wider community, to make sure children get the support they need.
- ✓ Work in relation to supporting more vulnerable children to transfer successfully from primary to secondary school is progressing well. Each locality has now identified in total 71 children who are likely to have difficulties in transitioning from years 6 to 7. All these children have now been made an 'offer' of support based on the available interventions and progress will be followed up on a one to one basis between now and December 2014.

Key performance indicators

Majority of performance indicators in Children's Services are on track or have been achieved at the end of quarter two.

- ⚠ The target to reduce the proportion of **young people coming into care** aged 14-17 years has been impacted by an increase in the number of Unaccompanied Asylum Seeking Children and the number of secure remands in response to the Pimlico Metropolitan Police activity. At the quarter two, 66% were reported to be coming into care against our target of 54% for the year. However this is an improvement on quarter one when 71% were reported. An analysis of the cohort is being carried out to establish if any entries to care could have been anticipated with findings due in Autumn 2014.
- ⚠ **Recruitment of foster carers** remains a challenge for the Children's Service. To date only three foster carers have been recruited against a target to recruit 20 by April 2015. A paper was provided to the Audit and Performance Committee in August which outlined the reasons behind the historical low recruitment numbers and the remedial actions in place to increase recruitment. The has produced a detailed recruitment plan and additional work is underway to focus efforts on areas that yield more success in terms of recruitment such as actively advertising in the West London area and supporting activities such as community based marketing stands and local open days.










The [number of young people who were not in education, employment or training](#) (NEET) fell in the second quarter when compared to the same position last year. There were 39 NEETs aged 16-18 in September 2014 compared to 84 reported in September 2013, a 54% drop in the number of NEETs. The service is also on track to meet its annual target to have no more than 37 NEETs. The recent initiatives run by the Council appear to be having a beneficial effect to performance of this indicator. This could also be attributed to a wider upturn in the jobs market which is a boost for a demographic group that was one of the hardest hit by the rise in unemployment during the financial crisis.

- ✓ In the 2014 academic year results showed that 70% of **Westminster pupils achieved 5 grade A*-C GCSEs, including English and Maths**, the same rate at the previous year. This result maintains Westminster's position well above the national rate of 59%. Improvements were made during 2013-14 in a number of schools, and further local authority support was provided through the Tri-borough Education Service.

5.3 CITY MANAGEMENT AND COMMUNITIES

> Overall summary of performance







The City Management Service continues to progress well, with no service priorities off track by the end of the second quarter. Out of the 166 deliverables for the area only five (3%) are off track to be delivered by deadline. The full details of the performance of City Management Services, including Community Services can be found below:











16 Service Priorities		13 (81%) service priorities have been delivered, or are on track for delivery		3 (19%) of service priorities have are slightly off track for delivery		No service priorities are off track for delivery by deadline
166 Deliverables		17 (10%) deliverables have been completed		144 (87%) are on track to be delivered on time		5 (3%) off track and unlikely to be delivered on time
19 Performance Indicators*		No target levels have yet been achieved		16 (84%) are on track to achieve target by year end		3 (16%) off track and unlikely to achieve target

*Note: the availability of data for some of the indicators varies throughout the year.

> Delivery against key service 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 second quarter of 2014/15.

Service Priority	Aggregated Assessment
City Management Services	
1 Delivers world class city management services such as: clean and green, waste services, parking, highways, street, transportation and premises management	 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 private and third sector agencies and with the customers themselves	 3 Deliverables – All on track
5 Support business compliance, help reduce regulatory costs to businesses and deliver effective regulatory interventions	 16 Deliverables – 2 Complete, 13 on track and 1 off track 4 Indicators – All on track
6 Provide clean, green, safe, attractive and vibrant public spaces, sports facilities and outdoor activities	 7 Deliverables – All on track 6 Indicators – 3 on track and 3 off track

Service Priority	Aggregated Assessment	
Community Services – Sports & Leisure		
7	Provide and promote attractive sport and physical activity opportunities for the whole community	 21 Deliverables – 3 Complete and 18 on track
8	Increase and extend the range and quality of facilities, active places and spaces	 17 Deliverables – 16 on track and 1 off track 1 Indicator – On track
9	Increase competitive opportunities and improve sporting 'pathways' from playgrounds to podiums	 10 Deliverables – 1 Complete and 9 on track
10	Develop 'workforce' capacity through volunteering, education, training and employment opportunities	 8 Deliverables – 1 Complete and 7 on track
11	Maximise the value and opportunity of collaborative working between all partners	 19 Deliverables – 2 Complete, 16 on track and 1 off track
Community Services – Tri-borough Libraries		
12	Existing services maintained while delivering Tri-borough savings	 5 Deliverables – 4 On track and 1 off track
13	A comprehensive range of reading, learning and wellbeing opportunities available to the public	 6 Deliverables – 2 Complete, 3 on track and 1 off track
14	Improve usage and awareness of library and archive services through an enhanced programme of events, class visits and health promotion activities at libraries	 9 Deliverables – 1 Complete and 8 on track 1 Indicator – On track
15	Support local entrepreneurs, business startup and people wanting to upgrade their skills with access to learning resources, advice and guidance	 6 Deliverables – 4 Complete and 2 on track
16	Develop a model for the library of the future that responds to technological change, customers and residents' needs	 7 Deliverables – 1 Complete and 6 on track

> Key service updates

The updates below provide an overview by exception on the progress against the BCBL initiatives, key services deliverables and indicators. Areas of positive performance are denoted by [✓] and areas for attention, where performance is at risk or failing to deliver, are denoted by [⚠].

City Management Services

Better City, Better Lives projects

Deliver the new model for Parking Services, making it easier for drivers to find available parking spaces, and park compliantly.

Installation of the 3,000 parking bay sensors across the West End (Phase 1) has now been completed, with the testing of the communication network in its final stages. The launch of the network and release of the real-time parking availability is scheduled for mid-October. Following an assessment of this first phase, it is still envisaged that a further 7,000 sensors will be rolled out across the rest of the City, making Westminster the first local authority to roll out this technology out across its entire road network.

Take robust enforcement against littering and identify sites for additional litter bins.

Following requests from Councillors, an extra 11 litter bins have been installed in Westminster since the start of April 2014.

- ⚠ **Licensing Protocol - Prepare to implement a licensing fee system based on cost recovery.** 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 to publish a locally set fee structure on the back of the consultation which closed 10th April 2014. The delay from the Home Office only affects the Licensing Act 2003 (LA03) fees. All other fee regimes that are within our gift as a service to review (i.e. non statutory set fees) can be reviewed – Hemming dependent. Hemming is a major factor in the review of existing licensing fees.

Key service deliverables

- ✓ **Waste and Parks** - 23 Green Flags have recently been awarded to Westminster's Parks and Open Spaces; second highest total in the UK after London Borough of Hillingdon. The Britain in Bloom judging has taken place with results to be announced in late October 2014.
- ✓ **Parking** - The programme of work to ensure delivery of the new operating model for Parking Services is continuing. The People & Resources contract, which replaced the existing enforcement contract, has been live since July 2014. Westminster now operates a total marshalling approach with emphasis on providing assistance first and foremost, and enforcement as a last resort. The new pay to park telephone service (RingGo) went live mid-July, with a minimum amount of problems being reported during the transition period. The Business Processing & Technology contract will be fully operational by November 2014. The project is now in the detailed testing stage with a considerable amount of work being carried out to ensure that the new systems will support the service and allow a seamless transition.

Key performance indicators

- ✓ **Street Management** - A strong second quarter for recovery rate of street litter FPNs has seen the overall rate improve to match the target of 80% (1325 of 1652 FPNs issued have now been recovered). Additionally there is some work being done by the service to regularise prosecution protocols which will improve recovery rates in the coming months.
- ✓ **Parking** - A high overall level of compliance (98.63%) is reported within Westminster (based on the last survey taken in April 2014). This is linked to the Parking Service's continued commitment to reduce PCN issue by the introduction of our new Marshalling approach that focuses on changing customer behaviour.
- ⚠ **Transportation** - The new transportation contracts started on 1st April 2014 and were deployed during the first half of the year. The transition period resulted in the target level for the percentage of lighting priorities response times being missed. At the end of September the average performance against response times for lighting priorities was 95% against a target of 98%. The service anticipates performance against this indicator will be back on track in quarter three.
- ⚠ **Highways** - The average performance against response times for highway priorities is 81% against a target of 98%. Performance is showing significant improvement month on month, and it is anticipated performance will be back on track from quarter three.

Community Services

Better City, Better Lives projects

- ✓ **Active Queens Park regeneration programme.**
Planning permissions for all 4 sites (Moberly, St Augustine's, Queens Park Gardens and Jubilee) have now been achieved and Phase 1 works for the Moberly site are planned to commence in March 2014. St Augustine's works are complete and the works at Queens Park Gardens will be undertaken in October 2014.
- ✓ **Create volunteering opportunities for up to 100 people.**
84 sports volunteers have been recruited up until the end of quarter two, the target for the year is expected to be exceeded.
- ✓ **Deliver a new "ActiveCommunities" programme which will promote new opportunities to participate in sport and physical activity.**
Funding has been secured and the pilot programme to deliver ActiveWestminster hubs in the north and south of the borough is being implemented to timescales promoted.

Key service deliverables

- ⌘ **Libraries** - The Registration Service is continuing to adopt mitigating strategies to address the negative impact of the loss of Council House. However, the full effect of these will not be realised until 2015/16 because many ceremonies are booked significantly in advance. Consequently a projected deficit remains in 2014/15 of £150,000 compared with the budget. This is a reduction against the original £300,000 identified from reduced premises capacity. It is expected that the service will achieve its budget target in 2015/16.
- ✓ **Sports and Leisure - the redevelopment of Moberly & Jubilee Centres.** Planning permissions were granted in April. The project team is working with both planning authorities to finalise the Section 106 legal agreements and address current viability issues. It is anticipated that the viability appraisal will be represented to the Westminster Planning Committee for approval in November. Provided permission is granted for the associated addendum report, 'phase 1 works' (the redevelopment of the entire Moberly site and the development of the affordable housing on the Jubilee site), it will commence in March 2015.










Key performance indicators

- ✓ **Sports and Leisure** - Just over 2.1m visits recorded to the sports and leisure centres (61% of the full year target). The centres are on track to exceed the target of 3.6m visits this year.
- ✓ **Sports and Leisure** - 87 registered athletes on the 'Champions of the Future Programme' (91.6% of the full year target)
- ✓ **Libraries** - In quarter two the number of visitors to libraries in Westminster is on track to meet target levels for the year, with 1,074,286 visits recorded at the end of September.

5.4 GROWTH, PLANNING & HOUSING

> Overall summary of performance








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





11 Service Priorities		5 (45%) service priorities have been delivered, or are on track for delivery		6 (55%) service priority is slightly off track for delivery		No service priorities are off track for delivery by deadline
60 Deliverables		7 (12%) have been completed		44 (73%) are on track to be delivered on time		9 (15%) off track and unlikely to be delivered on time
9 Performance Indicators*		No target levels have yet been achieved		6 (67%) are on track to achieve target by year end		3 (33%) off track and unlikely to achieve target

*Note: the availability of data for some of the indicators varies throughout the year.

> Delivery against key service 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 second quarter of 2014/15.

Service Priority	Aggregated Assessment
Planning	
1 Ensure that everyone in Westminster feels healthy and safe	 7 Deliverables – 6 On track and 1 off track
2 Ensure that everyone in Westminster feels more involved in their local community and to feel more connected to vital services and information.	 21 Deliverables – 6 Complete, 14 on track and 1 off track
3 Accommodate sustainable growth and change in Westminster whilst maintaining the historic character and integrity of its townscapes	 4 Indicators – 2 On track and 2 off track
Housing Service	
4 Providing homes for those in need	 5 Deliverables – All on track 1 Indicator – On track
5 Renewing neighbourhoods and estates	 13 Deliverables – 11 On track and 2 off track
6 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
7 Providing high quality and value for money services to residents	 4 Deliverables – 2 On track and 2 off track

Service Priority	Aggregated Assessment	
Corporate Property		
8	Identification of development opportunities within the Investment Portfolio	 2 Deliverables – 1 On track and 1 off track 2 Indicators – 1 On track and 1 off track
9	Providing a better working environment for Westminster City Council staff	 1 Deliverable – Off track
10	Delivery of capital projects throughout the year to budget	 2 Deliverables – 1 On track and 1 off track
Economic Development		
11	Residents supported into employment opportunities	 1 Indicator – On track

> Key service updates

The updates below provide an overview by exception on the progress against the BCBL initiatives, key services deliverables and indicators. Areas of positive performance are denoted by [✓] and areas for attention, where performance is at risk or failing to deliver, are denoted by [⚠].

Better City, Better Lives projects

✓ Housing Renewal Programme

The Housing Renewal programme is investing £41.6m to improve the public realm and deliver community assets particularly in areas where deprivation and public costs are highest. Recent activities include:

- **Westbourne Green** residents voted against the Housing Regeneration Programme for the area. Just over 30% of those eligible to have their say turned out to vote, with 438 people against and 414 in favour. Despite the loss of Westbourne Green, the Housing Renewal Programme continues to make steady progress toward achieving its goal of regenerating Church Street, Parsons North, Ebury Bridge and Tollgate Gardens.
- At **Luton Street**, the service is awaiting Cabinet Member approval for the contract award to Bouygues to deliver the first phase of the housing regeneration project for the Church Street area. Once approved, detailed design work will commence with the aim of submitting a planning application by the end of the year.
- At **Tollgate Gardens**, decanting of occupants is progressing well with just one tenant and four lessees remaining. Compulsory Purchase Order (CPO) notices are expected to be issued in October 2014.
- At **Ebury Bridge** decanting of occupants is progressing to programme. The CPO statement of reasons will be issued in December 2014.

⚠ Public realm improvements to retail environment of the Queensway area

The public realm improvements to Queensway have been delayed. This is waiting for Cabinet Member decision to proceed, with the decision expected by the end of November 2014.

✓ **Tri Borough Support Employment Network**

We are currently in the design phase for an integrated, pilot service targeted at the longest term unemployed. Scheduled for a phased start in 2015, this is an implementation of our strategies and ambitions regarding Public Service Reform and the London Growth Deal.

Taking forward the work being carried out at a Central London Forward level as a part of the London Growth Deal, we will deliver a five year pilot employment support programme ('Working Capital') for residents who claim Employment Support Allowance and are assessed by DWP as being "able to work" (WRAG claimant group) but have not found employment through the DWP's centrally commissioned Work Programme.

Prior to the establishment of Working Capital across the central London boroughs for a start in mid-2015, we will deliver a short, micro pilot ('LEAP') to test how this approach will work in Westminster and RBKC. *LEAP* will be delivered on a bi-borough basis in certain wards where there are high levels of unemployment.

Following our success in securing £50,000 match-investment from the DWP Flexible Support Fund, we will also integrate a further two case workers into the new team. These workers will apply the same approaches with long term unemployed residents who claim Jobseeker's Allowance and have been through the Work Programme scheme without success. It is anticipated that the service will go live from January 2015 and integrated into the wider programme of services for the longest term unemployed later in 2015.

Depending on flows of people off the Work Programme, the new service is expected to work with circa 500 Westminster residents over its lifetime.

Key service deliverables

- ✓ **Corporate Property** - A five year business plan has been completed for the investment portfolio which aims to deliver £7m of savings over three years and £20m over the five year business plan period. An asset strategy is close to completion along with a review and strategy for reduction of the operation property footprint which will feed in to the investment business plan to create a broader Corporate Property five year programme. The service was also set a target to find an additional £480,000 of gross revenue this year. As at the end of quarter two approximately £900,000 of gross revenue growth has been achieved.
- ✓ **Housing** - Exchange of contracts for 2 Ashbridge Street in Churchill Gardens has taken place. The redevelopment of this site will provide over 30 intermediate affordable homes. In addition, a number of Section 106 sites are at planning submission stage. If approved, they will deliver approximately 150 affordable homes in Westminster.










Key performance indicators

- ⚠ **Development Planning** - targets for the determination 'minor' applications and appeals are being met. However, the percentage of 'major' and 'other' applications processed within the required time scales is currently underperforming against target at 58% (target, 60%) and 67% (target, 80%) respectively. Additional externally funded staff are being recruited in order to improve performance. This should start show improvement in quarter three with the aim of hitting the targets by quarter four.
- ⚠ **Corporate Property** - The investment portfolio has delivered gross income improvement of approximately £1m over the first six months of the year – in excess of the annual 3% target. This is tempered by income loss as a result of starting the process of vacating City Hall of sub-tenants. Income is likely to increase in the third quarter of the year as further rent reviews are agreed, though this is also subject to the progress of property sales and acquisitions
- ⚠ **Corporate Property** - The capital disposal programme begins in October 2014 and is targeting approximately £50m of capital receipts by year-end. Although only £0.4m of capital receipts has been received to date, disposals this year are confidently expected to reach about £50m. These will be used to fund the acquisition of other properties to further enhance the value and the income-generating potential of the investment portfolio.
- ✓ **Housing** - The target to deliver 478 new affordable homes in Westminster in the next two years is now on track having slipped in quarter one. This was due to the delays in the Merchant Square scheme which will provide 42 new affordable housing units. This work has now been delivered which has brought our affordable housing supply back on track.
- ✓ **Economic growth** - At the end of quarter two, 158 residents have been supported into paid employment opportunities (25% of the full year target to support 623 residents into employment).

5.5 TRI-BOROUGH CORPORATE AND COMMERCIAL SERVICES

> Overall summary of performance






Tri-Borough Corporate and Commercial Services have performed well in the second quarter of the year, with no service priorities being off track to be delivered by deadline. Just two deliverables and one performance indicator were off track at the end of September. Details of this and overall performance of the Tri-Borough Corporate and Commercial Services can be found below;

5 Service Priorities		5 (100%) service priorities have been delivered, or are on track for delivery		No service priorities at risk or slightly off track for delivery		No service priorities are off track for delivery by deadline
46 Deliverables		6 (13%) have been completed		38 (83%) are on track to be delivered on time		2 (4%) off track and unlikely to be delivered on time
7 Performance Indicators*		No target levels have yet been achieved		6 (86%) are on track to achieve target by year end		1 (1%) off track and unlikely to achieve target

*Note: the availability of data for some of the indicators varies throughout the year.

> Delivery against key service 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 second quarter of 2014/15.

Service Priority	Aggregated Assessment
<i>Tri-borough Treasury</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>Revenues and Benefits</i>	
2 Improving our operations to achieve better outcomes for residents, business and taxpayers.	 2 Indicators – All on track
<i>Tri-borough Strategic and Commercial Procurement</i>	
3 Improved organisational performance and procurement effectiveness	 5 Deliverables – 2 Complete and 3 on track
<i>Tri-borough Human Resources</i>	
4 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	 28 Deliverables – 3 Complete, 23 on track and 2 off track 4 Indicators – 3 On track and 1 off track
<i>Tri-borough Legal Services</i>	
5 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

> Key service updates

The updates below provide an overview by exception on the progress against the BCBL initiatives, key services deliverables and indicators. Areas of positive performance are denoted by [✓] and areas for attention, where performance is at risk or failing to deliver, are denoted by [⚠].

Better City, Better Lives projects

- ✓ **School leavers and adults with barriers to work are better able to enter employment**
As at September, there are 16 apprentices and 13 interns within Westminster. The supported employment project continues to progress, a successful launch event was held at the beginning of October as a result 19 additional employment opportunities have been offered within Westminster.

Key service deliverables

- ✓ **Treasury and Pensions** - At the end of quarter two, the income generated from the Investment Portfolio stands at £2.33m (57% of the full year target). If the current performance level is maintained, we would exceed the target of £4.1m for 2014/15.
- **Revenues and Benefits** - Central government is re-considering funding for Local Support Payments (part of Universal Credit) in 2015/16. A decision will be made as part of the December 2014 settlement announcement. The City Council will make its decision about funding after the settlement announcement.










Key performance indicators

- Revenues and Benefits** - The Council continues to increase its collection levels for Council Tax and Business Rates. As at August 2014, 55% and 53% of Council tax and Business Rates were collected respectively. The service is on track to achieve target collection levels of 96% Council Tax and 98% Business Rates by yearend.
- ✓ **Human Resources** - Sickness level has reduced for the quarter and we are well within the target of 6 days. For 2013/14 Westminster was the joint lowest London Borough in terms of sickness absence.
- ⚠ **Human Resources** - Temporary Agency Contractor (TAC) numbers are improving with our current number being close to the target level set for 2014/15 of 300. Costs however continue to increase with the rolling year total to the end of September being over £17 million. Particular areas of concern are Adults Social Care and Corporate Services whose costs continue to increase.
- ⚠ **Human Resources** – Staff turnover has increased this quarter to 12% for the rolling year to September; this indicates an increase in staff leaving the business voluntarily which could be attributed to a wider upturn in the jobs market or the recent restructure announcements.

5.6 CORPORATE SUPPORT SERVICES

> Overall summary of performance







Westminster's Corporate Support Services have performed well in the second quarter of the year, with no service priorities being off track to be delivered by deadline. Just four deliverables and two performance indicators were off track at the end of September. Details of this and overall performance of the Corporate Support Services can be found below:








13 Service Priorities		10 (77%) service priorities have been delivered, or are on track for delivery		3 (23%) service priorities are slightly off track for delivery		No service priorities are off track for delivery by deadline
122 Deliverables		33 (27%) have been completed		85 (70%) are on track to be delivered on time		4 (3%) off track and unlikely to be delivered on time
7 Performance indicators*		No target levels have yet been achieved		5 (71%) are on track to achieve target by year end		2 (29%) off track and unlikely to achieve target

*Note: the availability of data for some of the indicators varies throughout the year.

> Delivery against key service 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 second quarter of 2014/15.

Service Priority	Aggregated Assessment
<i>Strategic Finance</i>	
1 Seeing the strategic picture – focusing on the best way of achieving outcomes	 4 Deliverables – All on track
2 Building professional and capable teams in a way that is consistent with the Tri-borough values	 8 Deliverables – All on track
3 Operating competently – Supporting decisions for the greatest good	 3 Deliverables – All on track
4 Support and embed the Council's change programme	 5 Deliverables – 1 Complete, 3 on track and 1 off track
5 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>	
6 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

Service Priority	Aggregated Assessment	
<i>Strategy and Communications</i>		
7	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>	 8 Deliverables – 7 Complete and 1 on track
8	Ensure the Council makes evidence based decisions using behavioral, attitudinal, performance and geo-demographic data and insight regarding residents, stakeholders and businesses <i>[Research & Intel]</i>	 10 Deliverables – All on track
9	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>	 4 Deliverables – All on track 1 Indicators – On track
10	Deliver on our 13 audience based campaigns and public affairs programmes through communicating with audience groups and delivery of key activities for 2014/15 <i>[Strategy and Communications]</i>	 23 Deliverables – 18 Complete and 5 on track
11	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>	 3 Deliverables – 1 Complete and 2 on track
12	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>	 48 Deliverables – 5 Complete, 41 on track and 2 off track
13	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>[Secretariat]</i>	 1 Deliverable – On Track

> Key service updates

The updates below provide an overview by exception on the progress against the BCBL initiatives, key services deliverables and indicators. Areas of positive performance are denoted by [✓] and areas for attention, where performance is at risk or failing to deliver, are denoted by [⚠].

Key service deliverables

Communications (audience campaigns) - the service has successfully completed a number of audience led communication campaigns in quarter two. These include:

- promoting the **Soho create festival** to creative industries to showcase the area as a creative hub
- supporting **Westminster Wardens** to inform and encourage residents to report problems, and anti-social behaviour

- supporting **vulnerable adults including older people** by encouraging self-service, use of Community Hubs and reablement services
- promoting the **West End LIVE** which showcases the quality and diversity of entertainment on offer in the heart of London
- supporting the **coordination of communications** around the Westbourne Green vote, working with Vital Regeneration to maximise local awareness and support of housing renewal programme
- supporting **carers to access more services** by producing and distributing an annual booklet of key information
- supporting **residents and young people** to get involved with sports competitions and programmes through the Champions of the Future programme, London Youth Games and Change4Life sports clubs

Digital - The 'Report It' tool has been launched on Westminster's website. This tool will allow the public to quickly and easily report any issues on streets and roads. The information collected will help the Council to keep the street safe and clean in the City.

Policy - The Families and Communities Employment Service (FACES) commenced delivery in Spring 2014 and is demonstrating positive early results. The Service is made up of a team of work coaches and specialist caseworks who work closely with individuals and families that have struggled to get into work and may be facing other problems in their lives.

Policy - The Council's volunteering programme is progressing well. Bids to commission £300k worth of core services to get the city volunteering are in progress. The commissioning of the Council's Flagship Volunteering Programme was cancelled in the Autumn due to lack of quality bids and the need for a re-designed specification. This is currently being re-procured alongside the Council's Volunteer Brokerage service. Contracts are expected to be let in time for an April 2015 start date.

Key performance indicators

Corporate Finance (savings programme) - At the end of September, a significant number of savings plans are in place to deliver on the £23.3m savings target for the year. To date, 51% of plans have either been completed or are being implemented to deliver £12m and 34% of plans are in place to deliver £8m. However there are no plans in place to deliver £3.3m of the savings target, although this has improved on last quarter where £4.1m of savings had no plans in place to deliver.

- ⌘ **Corporate Finance (revenue expenditure)** - At the end September, service areas are projecting an overspend of £3.47m against the net budget position of £211.2m for the Council. The overspend is because of continued pressure within Housing (£3.7m overspend to budget) relating to a number of factors, including homelessness levels which remain very high combined with a continued loss of private rented sector tenancies, out of borough placement being challenged and the Government's subsidy levels. There is also a shortfall of £150k on Registrars weddings income which is a consequence of the loss of Council House as a venue.

Proposals to manage the budgetary overspend of £3.7M over the medium term through bringing forward savings proposed under Medium Term Planning (departmental savings and savings related to rough sleepers and supporting people) and mitigation across the EMT Director's portfolio, are being actively examined and will be reported in the near future. It is proposed to eliminate the cumulative deficit by 2017/18.

- **Complaints** - The total number of complaints handled by the Corporate Complaints Team at the end of September was 96 (compared to 65 complaints received in the same period last year). There has been a significant increase in the number of stage 2 complaints (up by 55) since quarter one. This is being driven by the complaints received by Council Tax, Housing Benefit, Business Rates and Premises Management services. However, despite the increase in volume only 3 of the 96 complaints were upheld. The reasons for the three upheld complaints were due to delays in processing of a Housing Benefit claim and the incorrect issue of Council Tax notice.
- **Customer Insight** – Results from the 2014/15 City Survey will be available in quarter three. The survey helps assess how satisfied residents are with services the Council provides, how well informed residents feel and issues around anti-social behaviour and crime. All of these issues underpin the Council's reputation. The survey also collects comprehensive information about the demographic make-up of residents and therefore analysis can give a detailed picture of how different types of people in Westminster feel.

6. APPENDIX 1 - PERFORMANCE INDICATORS

There are a total of 77 performance indicators reported in quarter two. 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		Direction of travel Assessment	
Achieved	Target level has been met	∅	Improving on last year's position
On Track	On Track, Target level will be met	↔	No change, same as last year's position
Off Track	Target level is at risk of not being met	⊘	Deterioration on last year's position
		N/A	The performance is not available for 2013/14

6.1 TRI-BOROUGH ADULT SERVICES

Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Tri-borough Adult Social Care					
1 Number of people supported in residential care - permanent placements (snapshot)	270	<270	274	Off Track	⊘
There has been a slight increase in the number of people supported in permanent residential care from 270 in quarter one to 274 in quarter two. This increase is marginal and not a concern at present however will continue to be monitored monthly by the department.					
2 Delayed Transfer of Care from hospital per 100,000, 18+ population (average per month)	225.2	208.1	271.8	Off Track	⊘
The rate of delayed transfers of care from hospital per 100,000 has also increased by 12% from 242 in quarter one to 272 in quarter two. These indicators are volatile and subject to rapid change, this is being actively managed by commissioning, operational services and our health colleagues. The Joint Urgent Care Board is a key partner in this.					
3 Number of people supported at home (snapshot)	3,953	>3,953	4,197	Achieved	∅
4 Number of people supported in nursing care - permanent placements (snapshot)	235	<235	235	On Track	↔
5 Permanent admissions of older people (aged 65 and over) to residential and nursing care homes, per 100,000 population	472.7	468.3	192.4	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	31% (114 of 371)	On Track	N/A
7 Percentage of people completing reablement who do not require a service	New Indicator	80% by yearend	40% (150 of 371)	On Track	N/A
8 Percentage of know carers who have received an assessment or review	100%	Maintain	20% (262 of 1,214)	On Track	∅
9 Percentage of people with a learning disability (aged 18-64) in employment	7.8%	>7.8% by yearend	4% (17 of 450)	On Track	∅

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Tri-borough Adult Social Care						
10	Average hourly cost of supporting care at home	£15.90	£15.90	Update Q4	N/A	N/A
11	Average weekly cost of supporting a person in residential and nursing care	Residential £807 Nursing £585	<£807 £585	Update Q4	N/A	N/A
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 Q4	N/A	N/A
Public Health						
13	Number of adults and children attending obesity prevention programmes	425	>425 by yearend	393	On Track	∅
14	Number of NHS health checks taken up by eligible population	5,260	>5,260 by yearend	3,026	On Track	∅
15	Stop Smoking Services – number of 4 week quits	2,722	>2,722 by Yearend	503	Off Track	∅
	To increase numbers a new service provider was appointed in early 2014. During quarter two, the new provider increased the number of advisors to support smoking quitters, undertaken intensive work with GPs and set targets for GP clinics to increase smoking quitters.					
16	Percentage of people presenting with HIV at late stage of infection	20%	20%	19%	On Track	↔

6.2 TRI-BOROUGH CHILDREN'S SERVICES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Tri-borough Children's Services						
17	Percentage of young people coming into care aged 14-17 years	54%	54%	66% (23 of 35)	Off Track	↔
	The target to reduce the proportion of young people coming into care aged 14-17 years has been impacted by an increase in the number of Unaccompanied Asylum Seeking Children and the number of secure remands in response to the Pimlico Metropolitan Police activity.					
18	Percentage of children subject to a child protection plan for the 2nd or subsequent time	6.1%	5%	5% (3 of 56)	On Track	↔
19	Percentage of children requiring foster care being placed with Tri-borough foster carers	83%	80%	83% (25 of 32)	On Track	↔
20	Number of 16 to 18 year old (years 12 and 13) not in education and training (NEET)	47	<37	39	On Track	↔
21	Number of child protection cases	99	<99	90	On Track	↔
22	Percentage of child protection cases ending during the year with a duration of two or more years	6.1%	5% to 10%	0%	On Track	↔
23	Number of Looked After Children in Westminster	176	179	181	On Track	↔
24	Percentage of children in care with three or more placement moves	9.5%	<10.0%	2.0% (3 of 180)	On Track	↔

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Tri-borough Children's Services						
25	Percentage of children in care in the same placement for at least 2.5 years	81%	81%	79% (52 of 66)	On Track	↔
26	Percentage of re-referrals to social care	17%	<10%	10% (85 of 875)	On Track	↔
27	Percentage of primary pupils achieving Level 4+ in Reading, Writing and Mathematics at KS2	79%	79%	85%	Achieved	∅
28	Percentage of Westminster's pupil who achieved at least 5 A*-C grades at GCSE including English and Mathematics in 2014	70%	Increase	70%	Achieved	↔
29	Number of places in education, employment and training for young people after they complete their GCSEs	N/A	100%	99%	On Track	N/A
30	Percentage of care leavers who are in education, employment and training	67.9%	67.0%	61.0% (84 of 137)	On Track	↔
31	Percentage of care leavers who are in suitable accommodation	92.3%	92%	90% (124 of 138)	On Track	↔
32	Percentage of families on the Troubled Families Programme who will have resolved their offending, anti-social behaviour and poor school attendance	40%	50%	43%	On Track	↔

6.3 CITY MANAGEMENT AND COMMUNITIES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Waste and Parks						
33	Improved street environmental cleanliness through the proportion of street surveyed for Detritus that falls below grade Last year we scored exceptionally well on detritus, finishing the year on an average of 1% fails, with a target of 4%. However, over the past two years we have witnessed detritus scores of 0%, 2%, 4% and 6% on at least one occasion, so while the first survey of 2014-15 was at the higher end of what we are used to, 6% is still within the normal bounds of expectation, despite being technically 'off-track' against our own stretching target.	1.00%	3.00%	6.31%*	Off Track	↔
34	Improved street environmental cleanliness through the proportion of street surveyed for Litter that falls below grade	4.00%	5.00%	5.00%*	On Track	↔
35	Improved street environmental cleanliness through the proportion of street surveyed for Graffiti that falls below grade	2.00%	3.00%	1.11%*	On Track	↔
36	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	↔
*The first of three street cleanliness surveys was completed at the end of June, by Keep Britain Tidy. Results for the second survey are expected in November and will be reported in the quarter 3 performance report.						
37	Satisfaction with Westminster City Council's Parks and open spaces	92%	84%	92%	On Track	↔
38	The yearly proportion of waste sent for recycling and recovery, rather than to landfill.	95%	90%	97%	On Track	↔
39	To maintain the low monthly average of missed waste collection complaints per 100,000	New Indicator	5 per 100,000	5.6 per 100,000	On Track	N/A

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Parking						
40	Maintain levels of overall Customer Satisfaction with the Parking Service	87%	87%	82%	On Track	↔
41	Improved parking compliance levels	99.00%	98.70%	98.63%	On Track	↔
Community Safety						
42	Reduce reoffending rates (reduce the proportions of re-arrests) in Westminster	New Indicator	5% (20%)	Update Q3	N/A	N/A
	Data for this indicator is not yet available for quarter two, but a performance update will be available for the next quarterly report.					
Street Management						
43	Days of disruption saved on the road network as a result of collaborative working	70 days per quarter	100 days per quarter	408 days	On Track	∅
44	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	↔
45	Recovery rate of fixed penalty notices (FPNs) issued through waste enforcement activity	76.5%	80.0%	80.0% (1,325/1,652)	On Track	∅
Premises Management						
46	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	596	On Track	N/A
47	Pest Control Customer Satisfaction levels	90%	90%	100%	On Track	∅
48	Customer Satisfaction rates with Home Improvement Agency (HIA)	93%	90%	90%	On Track	↔
Transport and infrastructure						
49	Average performance against response times for all highways priorities	New indicator	98%	81%	Off Track	N/A
	The average performance against response times for highway priorities is 81% against a target of 98%. Performance is showing significant improvement month on month, and it is anticipated performance will be back on track from quarter three.					
50	Average performance against response times for all lighting priorities	New indicator	98%	95%	Off Track	N/A
	The new transportation contracts started on 1st April 2014, this has skewed the performance in quarter two and resulted in the target level being missed. The percentage of lights out for the quarter was 1%, well below the target of 4%. The average performance against response times for lighting priorities is 95% against a target of 98%. This indicator continues to improve with significant increases on a month by month basis, and it is anticipated performance will be back on track in quarter three.					
Sports, Leisure and Wellbeing						
51	Number of visits to the Council's sports and leisure facilities	3,521,410	3,592,700 by yearend	2,196,258	On Track	∅
Tri-borough Libraries and Archives						
52	Visitors to Westminster libraries as a proportion of the target	2,241,261	100% (2,241,261)	48% of target (1,074,286)	On Track	↔

6.4 GROWTH, PLANNING & HOUSING

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Development Planning						
53	Percentage of Other Applications determined within 8 weeks	70%	80%	67% (832 of 1242)	Off Track	⊘
	Percentage of Major Applications determined within 13 weeks	78%	60%	58% (7 of 12)	Off Track	⊘
54	The percentage of 'major' and 'other' applications processed within the required time scales is currently underperforming against target at 58% and 67% respectively. These indicators are 2% and 13% below the government target. Additional externally funded staff is being recruited in order to improve performance. This should start show improvement in quarter three with the aim of hitting the targets by quarter four.					
55	Percentage of Minor Applications determined within 8 weeks	69%	65%	67% (542 of 807)	On Track	↔
56	Percentage of Planning Appeals determined in favour of Westminster	TBC	66%	67% (53 of 79)	On Track	N/A
57	Number of Reports of Unauthorised Development (RUDs) investigated and cleared (including breaches ceased and or resolved through direct action)	2,575	TBC	737	N/A	∅
Housing						
58	Number of affordable homes delivered	108	478 over 2 years	84	On Track	∅
59	Rough sleeper numbers to be maintained below 100	85	<100	82	On Track	∅
Property						
60	Increase the total income generated from the Council's investment portfolio by 3%	£28.7m	£29.6m	£13.9m	Off Track	∅
	Income is likely to increase in the second half of the year as further rent reviews are agreed, though this is also subject to the progress of property sales and acquisitions.					
61	Investment Portfolio – keep the number of void properties below 4%	2.68%	<4%	3.1%	On Track	↔
Economic Development						
62	Total number of residents supported into paid employment opportunities for 14/15 from all programmes monitored by work and skills performance dashboard	623	300	158	On Track	↔

6.5 TRI-BOROUGH CORPORATE AND COMMERCIAL SERVICES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Tri-borough Human Resources						
63	Total number of agency contractors	345	300	306	On Track	∅
	Total cost of agency contractors (£m)	£15.1m	£12.0m	£17.1m	Off Track	⊘
64	Temporary Agency Contractor numbers are improving with our current number being close to the target level set for 2014/15 of 300. Costs however continue to increase with the rolling year total to the end of September being over £17m. Particular areas of concern are Adults Social Care and Corporate Services whose costs continue to increase.					
	Staff turnover excluding redundancies as a proportion of the workforce	11.2%	11.5%	12.03%	Off Track	⊘
65	Staff turnover has increased this quarter to 12% for the rolling year to September; this indicates an increase in staff leaving the business voluntarily which could be attributed to a wider upturn in the jobs market or the recent restructure announcements.					
66	Sickness absence - rolling year average number of days per employee per month	5.5 days	6 days	5.5 days	On Track	∅
Tri-borough Treasury						
67	Income generated from Investment Portfolio	£4.0m	£4.1m by yearend	£2.33m	On Track	↔
Revenue and benefits						
68	Percentage of Council Tax collected	96.3%	96.2%	47.1% (Last year 46.8%)	On Track	∅
69	Percentage of business rates collected	98.4%	98.1%	44.9% (Last year 44.6%)	On Track	↔

6.6 CORPORATE SUPPORT SERVICES

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Strategy and Communications						
Customer Insight						
	Residents satisfaction and perception measures from the 2014/15 City Survey	N/A	N/A	Update Q3	N/A	N/A
70	Results from the 2014/15 City Survey will be available in quarter three. The survey helps assess how satisfied residents are with services the council provides, how well informed residents feel and issues around anti-social behaviour and crime. All of these issues underpin the council's reputation.					
Change and Programme Management Unit						
71	Percentage of change programmes where Successful delivery of the project is on track, probable or feasible	New Indicator	100% by yearend	100%	On Track	N/A
72	Total customer calls answered in 20 seconds by the Council*	New Indicator	80%	94%	On Track	∅
73	Total customer calls answered in 60 seconds by the Council*	New Indicator	95%	97%	On Track	∅
*Customer Indicators under development, placeholder indicators provided above. Reporting against the new indicators will commence from Q3.						

	Performance Indicator	2013/14 Performance	2014/15 Target	Quarter 2 position	Status	Movement
Strategic Finance						
	Variance between budget forecast and actual spend	£0.6m Underspend	£0 Balanced budget	£3.47m overspend	Off Track	∅
74	<p>At the end September, service areas are projecting an overspend of £3.47m against the net budget position of £211.2m for the Council. The overspend is because of continued pressure within Housing (£3.7m overspend to budget) relating to a number of factors, including homelessness levels which remain very high combined with a continued loss of private rented sector tenancies, out of borough placement being challenged and the Government's subsidy levels. . There is also a shortfall of £150k on Registrars weddings income which is a consequence of the loss of Council House as a venue.</p> <p>Proposals to manage the budgetary overspend of £3.7m over the medium term through bringing forward savings proposed under Medium Term Planning (departmental savings and savings related to rough sleepers and supporting people) and mitigation across the EMT Director's portfolio, are being actively examined and will be reported in the near future. It is proposed to eliminate the cumulative deficit by 2017/18.</p>					
75	Total savings achieved for 2014/15 Completed (C) – Savings Plan completed Green (G) – Savings Plan(s) being implemented Amber (A) – Savings Plan(s) is available but risks involved Red (R) – No savings plans / high risk item	£26.6m	£23.3m	£7.219m (C) £4.803m (G) £8.032m (A) £3.572m (R)	On Track	∅
Corporate Complaints						
	Number of stage 2 complaints received - Upheld/not upheld	66 complaints received in Q2 of 2013/14	Improve on last year position	96 received 3 upheld 16 Partially upheld 77 Not upheld	Off Track	⊘
76	<p>The total number of complaints handled by the Corporate Complaints Team at the end of September was 96 (compared to 65 complaints received in the same period last year). There has been a significant increase in the number of stage 2 complaints (up 55) since quarter one. This is being driven by the complaints received by Council Tax, Housing Benefit, Business Rates and Premises Management services. However, despite the increase in volume only 3 of the 96 complaints were upheld. The reason for the three upheld complaints was due to delays in processing of a Housing Benefit claim and the incorrect issue of Council Tax notice.</p>					
77	Percentage of stage 2 complaints response completed within 10 working days	70% (Q1 2013/14)	>70%	72% (69/96 complaints)	On Track	∅

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AGENDA ITEM No. 8



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	26 November 2014
Classification:	For General Release
Title:	Internal Audit & Counter Fraud 2014/15 – Progress Report
Wards Affected:	All
Financial Summary:	Appx Value of audited areas: £15.3m
Report of:	Steven Mair, City Treasurer (Section 151 Officer)
Report Author:	Moira Mackie, Senior Manager (Baker Tilly): e-mail: mmackie@westminster.gov.uk ; Tel: 020 7641 2463

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 77% 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, one audit has been completed in the period in respect of services provided within RB Kensington & Chelsea (RBK&C), LB Hammersmith and Fulham (LBHF) and Westminster City Council (WCC). This was in respect of a Tri-Borough Service and was undertaken by the in-house internal auditors at RBK&C. A positive assurance opinion was given in this audit.

- In the period since the last report to the Committee, Housing Benefit investigations have resulted in one prosecution which related to an overpayment of £21k.
- General fraud investigation work in the period has resulted in two housing properties being recovered and one property succession being prevented.

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" (paragraph 5.1 1 below). This is a positive opinion which means that the Council generally has effective internal control systems with 77% 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.

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

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

Appendix 3 to this report details of the schools audited during 2014/15; and

Appendix 4 contains a Glossary of Terms and additional information.

5. Audit Outcomes

5.1 Since the last report to members nine audits have been completed, seven of which did not identify any key areas of concern:

- Sayers Croft Activity Centre (satisfactory assurance, Green RAG);*
- Transportation Commissioning (substantial assurance, Green RAG*);
- Rough Sleepers (satisfactory assurance, Amber RAG);*
- Adult Services - Cash Payments to Clients (satisfactory assurance, Green RAG);
- Tri-borough - IT Cloud Computing (satisfactory assurance, Green RAG);*
- Our Lady of Dolours Primary School (substantial assurance, Green RAG);
- St Joseph's Primary School (satisfactory assurance, Green RAG);

*Further information on these areas is contained in the Glossary in Appendix 4

Two limited assurance audits were issued in respect of Queen Elizabeth II and College Park Special Schools. The findings of these audits are summarised in paragraph 5.1.1 below:

5.1.1 Queen Elizabeth II & College Park Special Schools (Amber)

Queen Elizabeth II and College Park Special Schools are Federated Schools with a single governing body and Executive Head Teacher but each school has its own

finance and administrative procedures. These schools were previously audited in November 2012 and a limited assurance opinion was given to both schools on the adequacy of their systems of control. Due to a number of staff changes at the schools, it was considered appropriate that another full internal audit was undertaken. Both audits have again received limited assurance opinions and follow up reviews will be required later this year. The key weaknesses identified at each school are summarised below.

Queen Elizabeth II Special School (Amber)

This audit resulted in seventeen recommendations being made, one high, four medium and twelve low priority, all of which have been accepted by the school. The key areas of weaknesses identified were:

- Monthly bank reconciliations were not being undertaken and the school's bank account had been overdrawn;
- Delegated financial limits on expenditure were not always complied with;
- An appropriate separation of duties in the purchasing and payments systems was not maintained;
- Quotes/tenders for the supply of goods and services were not always retained;
- Evidence of consistent compliance with the requirements of HMRC for verifying employment status was not available.

College Park Special School (Red)

This audit identified that controls in a number of the areas reviewed were in place but they were not always operating effectively. A number of non-compliance issues were identified, some of which related to transactions processed by officers who are no longer employed by the school. Fifteen recommendations have been made, three high, five medium and seven low priority, all of which have been accepted by the school. Recommendations were made to address the following weaknesses:

- Monthly bank reconciliations were not being undertaken and the school's bank account had been overdrawn;
- The school was not operating an appropriate system for recovering income due and managing debt;
- The school's system for verifying the supply/delivery of services was inadequate and they were paying for a service that they no longer received;
- The financial limits on expenditure were not always complied with;
- An appropriate separation of duties in the purchasing and payments systems was not maintained;
- Quotes/tenders for the supply of goods and services were not always retained; and
- Evidence of consistent compliance with the requirements of HMRC for verifying employment status was not available.

5.2 Implementation of Audit Recommendations

Two follow up audits were undertaken in the period:

Audit	No of Recs Made	No of Recs Implemented / In Progress
Customer Services – Complaints Handling	4	4
St Augustine’s Primary School	17	17

Follow up audit work in the year to date indicates that the implementation of recommendations was generally good (96%) with 92% of fundamental (high) and significant (medium) recommendations implemented by their due date.

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. Performance in the following areas is still below target but it has improved since the last report to the Committee:

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

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

6. Anti-Fraud Work Outcomes

6.1 Summary of Housing Benefit Fraud Investigations

6.1.1 Since the last report to Committee, twenty-nine investigations have been completed with one successful prosecution.

6.1.2 The table below illustrates the sanctions achieved in the year to date. From a total of three-hundred and eighteen investigated cases seventeen sanctions have been achieved with £115k in overpaid Housing Benefit identified, of which approximately 13% 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.

Year 2014/15 Sanction	No of Cases	Overpayments/ Fine	Recovered to Date	Recovery Rate	Comparison Recovery Rate Previous Year
Prosecution	8	£88,746	£13,044	14.70%	8.17%
Official Cautions	6	£ 6,589	£ 0	0%	0%
Administrative Penalties (overpayments & fines)	3	£19,812	£ 2,000	10.09%	1.70%
Totals	17	£115,147	£ 15,044	13.06%	5.57%

6.1.3 The outcome for the one prosecution case is as follows:

- A benefit claimant from W10 was sentenced to a four month prison sentence suspended for two years after pleading guilty to two offences in relation to her claims for Housing Benefit and Job Seekers' Allowance. The claimant failed to declare that she had significant savings in undeclared bank accounts. This resulted in the claimant fraudulently obtaining just over £21k in Housing Benefit and £3.5k in Jobseeker's Allowance. To date, approximately half of the overpaid Housing Benefit has been repaid to the Council. There is a Proceeds of Crime Act court hearing in late October 2014 regarding the recovery of all outstanding monies to the Council and the Department for Work and Pensions (DWP).

6.2 Single Fraud Investigation Service (SFIS) - Update

6.2.1 The team is working with the Tri-borough Head of Fraud to enable a smooth transition of the Housing Benefit Fraud Investigation Service to the Department for Work and Pensions (DWP) by the 1 March 2015. An engagement workshop will be taking place in November with the DWP Implementation Team which will cover:

- New referrals;
- Case migration; and
- Management of Housing Benefit/Council Tax Benefit data requests from the DWP post 1 March 2015.

This workshop will be attended by representatives from the Tri-borough Council's Housing Benefit Fraud Investigators as well as a representative from the Council's Revenue Services and Housing Benefit provider (Capita).

6.3 Summary of General Fraud Investigations

- 6.3.1 Since the last report to the Committee, ten general fraud investigations were completed and three Council properties recovered for re-letting. In addition, the team has been working with the Housing Service to improve the housing application form and a revised form has been agreed and is now in use.

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

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BACKGROUND PAPERS

Internal Audit Reports;
Monthly monitoring reports.

Advisory Reviews – 2014/15

In addition to the audits listed above, one advisory piece of work has been completed since the last report to the Committee 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 this review.

Job Title	Scope	Date of Review	Comments
Millbank TM (MEMO)	MEMO was established as a Tenant Management Organisation (TMO) in 1997 under the Leasehold Reform Housing and Urban Development Act 1993 which gave residents a Right to Manage. As a result of the removal of the Chair from the Board in April 2014, and the subsequent events, Internal Audit was requested by Westminster City Council to undertake a review of MEMO's governance arrangements.	September 2014	<p>Internal Audit identified a number of weaknesses which were impacting on the effectiveness of the Board and in turn the estate office. As a result of these 10 fundamental, 15 significant and 3 best practice recommendations have been made in order to implement and improve the governance arrangements in place.</p> <p>Whilst Board Members are familiar with the term 'governance', what this means on a practical level, and how this impacts on the effectiveness of the Board was not clear to everyone consulted as part of this review. The lack of robust governance arrangements had resulted in the Board becoming dysfunctional.</p> <p>A number of independent reviews of MEMO have been undertaken in the past few years and our report advised the Board to allow itself the opportunity to consider these and take the necessary action to ensure that the agreed recommendations are implemented in order to take the organisation in the direction that it wants to go. Historically, reviews have been undertaken and due to a lack of appetite to change, dysfunction within the Board and/or the subsequent challenge of the work/consultants little effort has been directed to act upon the advice given. To achieve greater focus our report recommended that an action plan should be produced, incorporating all of the recommendations, which should be presented to the board for approval and then reviewed and updated at every board meeting until the recommendations/actions are fully implemented.</p> <p>Since the initial audit work was completed, internal audit has been advised by the Council that the current board recognises the previous failings and is working with the Council to comply with both the management agreement and the Rules of MEMO and is taking forward a Service Improvement Plan which has been agreed by the MEMO Board.</p>

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 30 September 2014	49%	43%	This is slightly behind target as some audits were not progressed as quickly as they should have been. Additional resource has been provided to address this and the performance is expected to be on target in the 3rd quarter of the year.
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	71%	Performance was affected by delays in the quality review process due to staff leave but it is anticipated that this will be on target by the end of quarter 3.
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		To be confirmed at year end.
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.

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 – Recommendations Implemented	Comments/ Further Action
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 – Recommendations Implemented	Comments/ Further Action
Queen Elizabeth II Special School	Limited	Amber	17		
College Park Special School	Limited	Amber	15		
St Joseph's Primary School	Satisfactory	Green	13		
Our Lady of Dolours Primary School	Substantial	Green	7		
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					

Glossary of Terms & Additional Information

Sayers Croft (Main Report - Paragraph 5.1)

Sayers Croft Centre is an activity centre which is managed and operated in partnership with Westminster City Council. The centre is open to schools and youth groups, and is located in Ewhurst, Surrey. The Centre has access to a 56 acre shared landholding within the site offering residential accommodation for 200 visitors. The Council works closely with the Sayers Croft Trust in the delivery of its programmes using some 28 acres of land in the ownership of the trust. For 2014-15, the centre is expected to receive 28,700 'visitor nights'. Discounts are offered to Westminster groups and customers during Autumn and Spring terms to encourage visits from a range of clientele.

Transportation Commissioning (Main Report – Paragraph 5.1)

The Council's Highways and Transportation Service Contracts expired on the 31st March 2014 and covered the following:

- Highways Maintenance (Routine, Reactive) and Capital Works;
- Public Lighting Maintenance (Routine/Reactive) Capital Schemes;
- Bridges and Structures (Routine/Reactive) and Capital Works;
- Transportation Projects; and
- ICT, Highways Maintenance Management System (HMMS).

The service initiated a demobilisation programme in January 2014 and created a transition plan detailing how the Council would manage on-going works that would not be completed by 31st March 2014. One contractor still had a number of projects to complete which would run into late 2014. The audit reviewed the adequacy of the systems in place to manage the delivery and payment of outstanding highways' work.

Rough Sleepers (Main Report – Paragraph 5.1)

The Council provides and commissions outreach teams, day centres, mental health teams and hostels to work 24 hours a day, 7 days a week. The outreach team work to identify who is on the streets as soon as they arrive there and the day centres work to assess need, and prevent people from sleeping rough.

The contracts for the provision of outreach services have recently been tendered and let until 31st March 2018 to three providers; Connection at St Martins; St Mungos (Hotspot team); and St Mungos (Entrenched team)

The number of rough sleepers in Westminster as at the end of June 2014 was 904 over the quarter. This figure represented an increase of 197 rough sleepers on the same period in June 2013. The funding for the provision of the rough sleeping services (£2.4m) is taken from the Homeless Prevention Grant. This audit reviewed the processes in place to manage the cost and delivery of the rough sleeping service.

Cloud Computing (Main Report – Paragraph 5.1)

Cloud computing is where IT services are provided through the internet using shared infrastructure and allows organisations to move their IT services to external providers to achieve cost savings and efficiencies. Three of the Tri-borough applications which are run through cloud solutions; Frameworki which is the Adult's and Children's Services case management system; the Library Management System; and the Bravo Solutions Procurement Application.

The overall objective of this audit was to provide assurance on the adequacy of the Tri-borough cloud service provider (CSP) management arrangements in the following areas:

- Cloud Governance and Information Security Risk Management;
- Cloud Service Provider contract compliance management monitoring (Service Level Agreement and Key Performance Indicators);
- Protection and Privacy of Information Assets in the Cloud.

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