



City of Westminster

# Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Thursday 23rd November, 2017**

Time: **7.00 pm**

Venue: **Room 3.6/3.7, 3rd Floor, 5 Strand, London, WC2 5HR**

Members: **Councillors:**

Ian Rowley (Chairman)  
Lindsey Hall  
David Boothroyd  
Jacqui Wilkinson

**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 from 6.30pm. 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, Senior Committee and Governance Officer.**

**Tel: 020 7641 3160 Email: [rsegal@westminster.gov.uk](mailto:rsegal@westminster.gov.uk)  
Corporate Website: [www.westminster.gov.uk](http://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 Director of Law 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 18 September 2017.

**(Pages 1 - 6)**

**4. GRANT THORNTON ANNUAL AUDIT LETTER 2016 - 2017**

Report of Grant Thornton, External Auditor

**(Pages 7 - 20)**

**5. PROGRESS AND UPDATE ON 2017 - 2018 AUDIT**

Report of Grant Thornton, External Auditor

**(Pages 21 - 38)**

**6. CORPORATE COMPLAINTS 2016 - 2017**

Report of the Corporate Complaints and Customer Manager

**(Pages 39 - 74)**

**7. FINANCE (PERIOD 6) AND QUARTER 2 PERFORMANCE BUSINESS PLAN MONITORING REPORTS**

Report of the City Treasurer and the Director of Policy, Performance and Communications

**(Pages 75 - 154)**

**8. AGREEMENT OF BI-BOROUGH SERVICES IN CHILDREN'S SERVICES, ADULT SOCIAL CARE AND PUBLIC HEALTH**

Report of the Chief of Staff

**(Pages 155 - 160)**

9. **INTERNAL AUDIT 2017-18 PROGRESS REPORT (AUGUST - OCTOBER 2017)** (Pages 161 - 184)

Report of the Tri-Borough Director for Audit, Risk, Fraud and Insurance

10. **MID YEAR COUNTER FRAUD MONITORING REPORT** (Pages 185 - 206)

Report of the Head of Fraud Prevention

11. **WORK PROGRAMME AND ACTION TRACKER** (Pages 207 - 234)

12. **EXEMPT REPORTS UNDER THE LOCAL GOVERNMENT ACT 1972**

**RECOMMENDED:** That under Section 100 (A) (4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), the public and press be excluded from the meeting for the following item(s) of business because they involve the likely disclosure of exempt information on the grounds shown below and it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

<u>Item No</u>	<u>Grounds</u>	<u>Para. of Part 1 of Schedule 12A of the Act</u>
13	Information relating to the financial or business affairs of any particular person	3

13. **UPDATE ON THE MANAGED SERVICES PROGRAMME** (Pages 235 - 272)

Report of the Bi-Borough Director of Corporate Services

**Charlie Parker**  
**Chief Executive**  
**15 November 2017**

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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** held at 7.00pm on **Monday 18th September, 2017**, Room 3.6 and 3.7, 3rd Floor, 5 Strand, London, WC2 5HR.

**Members Present:** Councillors Ian Rowley (Chairman), Lindsey Hall, Judith Warner and David Boothroyd

**Also Present:** Steve Mair (City Treasurer), Graeme Gordon (Programme Director Evaluation and Performance Team), Mo Rahman (Evaluation and Performance Analyst), David Hughes (Senior Internal Auditor) Moira Mackie (Senior Internal Audit Manager), Lee Witham (Director of People Services), Jeremy Beresford (ICF Manager) Jake Mathias (HRA Strategy Manager), Dai Williams (Finance) David Hodgkinson (Assistant City Treasurer), Mick Steward (Head of Committee and Governance Services)

#### 1 MEMBERSHIP

1.1 There were no changes to the membership.

#### 2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

#### 3 MINUTES

3.1 **RESOLVED:** That the minutes of the meeting held on 17 July be signed by the chairman as a correct record of proceedings.

#### Action:

The Committee repeated their request as follows:

1. Receive clarification why a waiver was required in relation to Microsoft Office 365 Licences in order to directly award this contract.
2. Clarify why the contract for Asbestos Removal and Encapsulation was rated below expectation.

3. Provide a note on (i) how many contracts the Council has running at present? (ii) How does this compare to previous years? (iii) What opportunities are there for amalgamating contracts to achieve savings/economies of scale and/or to bring about innovation?

(Action: Anthony Oliver, Chief Procurement Officer)

#### **4 FINANCE (PERIOD 3) AND QUARTER 1 (APRIL - JUNE 2017) PERFORMANCE BUSINESS PLAN MONITORING REPORT (SEE REPORT OF THE CITY TREASURER AND THE DIRECTOR OF POLICY, PERFORMANCE AND COMMUNICATIONS)**

- 4.1 Steve Mair, City Treasurer, introduced the period 3 finance report which provided details of the forecast outturn in respect of revenue and capital and projected revenue and capital expenditure by Cabinet Member including key risks and opportunities. The report also included details in relation to the revenue and capital expenditure for the housing revenue account. Members reiterated their concerns about the significant variances between capital forecast and outturn against budget. The Committee intends to consider the Capital Programme, including the housing element, in more detail as a dedicated agenda item in 6 months as at this stage it was too early to monitor trends. Noted that this is already part of the Committee's Work Programme.
- 4.2 Mr Mair, in response to Councillor Boothroyd, advised that the Council produced an annual statement setting out how parking income had been used only on transport related matters and no longer produced a separate Parking Places Reserve Account.
- 4.3 Graeme Gordon, Programme Director, Evaluation and Performance Team, introduced the Quarter 1 performance report which presented detailed results of the period April to June 2017 against the 2017/18 Business Plans. The report provided explanations and commentary in respect of outstanding, good and poor performance including achievements of targets and details of remedial action being taken where appropriate. Mr Gordon, in response to Member questions, advised that a review of Key Performance Indicators would be undertaken with Executive Directors. These would be more closely aligned to the City for All policy commitments or highlight if these were statutory.
- 4.4 The Chairman referred to the recurrence of several similar under performing issues eg Pensions Admin associated with the BT contract. He asked that a specific report be submitted to the next meeting on the replacement proposals for the BT contract. It was noted that the proposed joint scrutiny meeting with RBKC had not taken place.
- 4.5 The Committee were advised that some Council officers had been diverted to respond to the Grenfell Tower fire. Many of the families however remained too traumatised to be able to consider accepting the good offers of alternative accommodation at this stage. The Committee were advised that officers were now returning from these duties and that a track of expenditure was being kept so these could be recouped from RBKC. Costs up to £100k were being

met locally by the authority providing the service. Councillor Boothroyd stressed that the cost of replacing cladding should not be passed on to leaseholders. It was noted that the HRA would need to be refigured as a result of this additional cost. Generally, the importance of targeted communication was stressed.

- 4.6 The committee in particular asked questions regarding the transitional arrangements for Tri-Borough exit which is due to occur in March 2018. It was noted that decisions were expected shortly with staff consultation due to commence by the end of September.
- 4.7 The committee noted that SEN would form part of the refreshment of KPIs.

**RESOLVED:** That the reports be noted.

**ACTION:**

1. Report on the BT contract to be presented to the next meeting of the Committee (**Action:** John Quinn).
2. The high profile risks to be highlighted in future reports (**Action:** Graeme Gordon).
3. That a report on cyber security be presented to a future meeting (**Action:** Ben Goward).

**5 INTERNAL AUDIT MONITORING REPORT (APRIL-JULY 2017) (SEE REPORT OF THE SHARED SERVICES DIRECTOR FOR AUDIT, FRAUD AND FINANCE)**

- 5.1 The committee considered a report that summarised the work carried out by the Council's Internal Audit Service in the reporting period. The service found that, in the areas audited, internal control systems were generally effective with 24 positive assurance (substantial or satisfactory) reviews being issued in the period, although four limited assurance audits have also been issued since the last report to the Committee.
- 5.2 The follow up review completed in the period for two audits confirmed that the implementation of recommendations has been effective.
- 5.3 One of the limited assurances related to Odham's Walk Tenant Management Organisation. Given the committee's previous concerns regarding limited assurances at 7 of the Council's TMOs Members submitted questions on their management and the Council's enforcement powers to the Council's HRA Strategy Manager. The Committee noted the actions set out in the report aimed at addressing the identified shortfalls. It asked that consideration be given to the merger of some TMO back office functions to be delivered by CityWest Homes has any merit.
- 5.4 Following discussion, Officers undertook to provide Members with details of how many charitable organisations provided services to the Council and how many had moved to provide these on a contractual basis.

5.5 **RESOLVED:** That the results of the internal audit work carried out during the period be noted.

**Action:**

1. Officers to consider if merger of TMO back office functions have any merit (**Action:** Jake Mathias).
2. Provision of information regarding charities (**Action:** David Hughes).

**6 COMMERCIAL REVENUE PERFORMANCE (SEE REPORT OF THE CITY TREASURER)**

6.1 Given the continuing financial challenges that Westminster faces as government funding continues to decrease, the Committee requested a report on the performance and outcomes as well as future targets of corporate commercial revenue as well as the risks and mitigations associated with achieving these objectives.

6.2 Steve Mair and Dai Williams introduced the report. The committee was informed that the Council currently generates circa £140m of income from fees and charges as its key commercial income source. As well as this the Council has developed additional income sources from trading companies and continues to grow its trading profile. The income represented approximately 15% of the Council's income which also allowed the Council to maintain a satisfactory level of reserves.

6.3 Commercial income sources remain a major part of medium term planning savings proposals with circa £3.3m of savings proposals generated through the differential services programme.

6.4 Fees and Charges were to be the subject of an annual review by Cabinet. It was noted that whilst Westco profits had reduced profits were still being made.

6.5 It was also noted that the future of the Hub was the subject of further consideration.

**Resolved:** That the Commercial Revenue Performance set out in the report be noted.

**7 GENERAL RESERVES AND BALANCES AND DRAFT RESERVES POLICY (SEE REPORT OF THE CITY TREASURER)**

7.1 The Committee considered a report that provided background on general reserves policy which provide funds for emergencies or other unexpected requirements for fund.

7.2 The City Treasurer advised that currently no action was required to increase the level of reserves. In an ideal situation based on previous experience reserves of £70m would be the target.



**Resolved:** That the position as set out be noted.

**8 WORK PROGRAMME AND ACTION TRACKER**

**8.1 RESOLVED:**

1. That the agenda items for 23 November meeting as set out be agreed subject to any changes agreed.
2. That the responses to actions arising from the meetings on the 17 July 2017 be noted.

The Meeting ended at 8.36pm.

**CHAIRMAN:** \_\_\_\_\_

**DATE** \_\_\_\_\_

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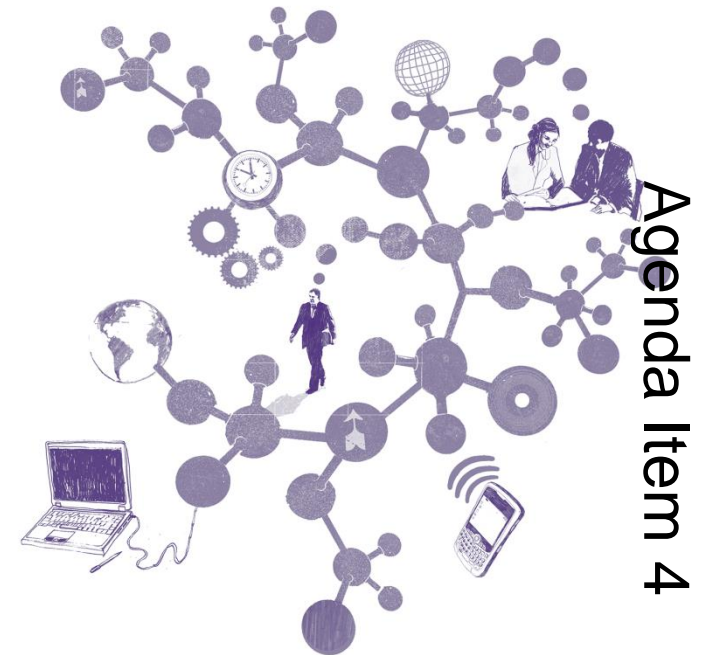
# The Annual Audit Letter for Westminster City Council

Year ended 31 March 2017

October 2017

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Agenda Item 4

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A Reports issued and fees

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# Executive summary

## **Purpose of this letter**

Our Annual Audit Letter (Letter) summarises the key findings arising from the work we have carried out at Westminster City Council (the Council) for the year ended 31 March 2017.

This Letter provides a commentary on the results of our work to the Council and its external stakeholders, and highlights issues we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Audit and Performance Committee (as those charged with governance) in our Audit Findings Report on 11 May 2017 and updated for the final findings on 17 July 2017.

## **Our responsibilities**

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

## **Our work**

### **Financial statements opinion**

We gave an unqualified opinion on the Council's financial statements on 18 July 2017.

### **Value for money conclusion**

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2017. We reflected this in our audit opinion on 18 July 2017.

### **Use of additional powers and duties**

We are required under the Act to give electors the opportunity to raise questions about the Council's accounts and we consider and decide upon objections received in relation to the accounts. We received one objection in relation to the 2016/17 accounts and are currently concluding our procedures before responding formally to the elector.

### **Whole of government accounts**

We completed work on the Council's consolidation return following guidance issued by the NAO and issued an unqualified report on 29 September 2017.

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### **Certificate**

We are currently unable to certify that we have completed the audit of the accounts of Westminster City Council as we have not yet completed work in respect of objections received.

### **Certification of grants**

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2017. We will report the results of this work to the Audit and Performance Committee in our Annual Certification Letter.

### **Working with the Council**

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

**Grant Thornton UK LLP**  
**October 2017**

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# Audit of the accounts

## Our audit approach

### Materiality

In our audit of the Council's accounts, we applied the concept of materiality to determine the nature, timing and extent of our work, and to evaluate the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £20.9 million, which is 1.85% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We set a lower threshold of £1.046 million, above which we reported errors to the Audit and Performance Committee in our Audit Findings Report.

### Pension Fund Materiality

For the audit of the Westminster Pension Fund accounts, we determined materiality to be £11.4 million, which is 0.9% of the Fund's net assets. We used this benchmark, as in our view, users of the Pension Fund accounts are most interested in the value of assets available to fund pension benefits.

We set a threshold of £570,000 above which we reported errors to the Audit and Performance Committee.

## The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by the City Treasurer are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

# Audit of the accounts - Council

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Managed Services Partnership (MSP)</b>            The tri-borough councils implemented a new financial ledger through a managed services partnership with BT from 1 April 2015. There have been a number of difficulties with the implementation which give rise to a significant risk of completeness of the balances in the financial statements. The Council is proactively managing the service problems and is in regular contact with BT, including finance officers visiting the BT office on a monthly basis. Significant improvements have been made since the previous year but there remains a risk to the audit opinion.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> <li>• updated our understanding of the Council's relationship with the managed service provider during the 2016/17 year</li> <li>• reviewed the control environment around the posting of journals on the ledger and how these operate across the tri-borough</li> <li>• reviewed the service provision arrangements to ensure that the Council had sufficient information to prepare the financial statements in line with the planned closedown and audit timetable of April and May 2017.</li> </ul>	<p>The Council has continued to proactively manage the system and service delivery throughout the 2016/17 financial year. Officers of the Council have continued to visit the BT offices to ensure that the improved system controls are effectively operating throughout the year. Senior officers from BT have met regularly with Council management and have attended special meetings of the Audit &amp; Performance Committee to update TCWG on progress being made to improve service delivery for the year end. Improvements have been made to the journal control environment although the Council are still unable to obtain a report of who posted and authorised every journal from BT. We also identified that the system still allowed ten cross-entity journals to be posted during the financial year. This is an improvement from the number posted in the prior year. The Council has investigated options for implementing the recommendation made last year: 'cross entity journals should be prevented from being posted in the ledger'. It is not possible to stop this function within the tri-borough GL so a compensating control has been put in place. The Council receives a daily report showing any incidences of cross-entity journals and confirmation that these balance to zero across the tri-borough GL. The accounts closedown and production was a smoother process in 2016/17 as the finance team could rely on the Agresso system reports and manual intervention and checking was not required. We have received sufficient assurance that the managed service partnership is being actively monitored by the Council and appropriate action is taken by management to ensure the accounts were produced in line with the 2016/17 timetable.</p>
<p><b>Appeals Provision for National Non-Domestic Rates (Business Rates)</b>            Westminster City Council's provision for business rates appeals is the largest in the country and is a highly material balance in the financial statements. The provision is based on significant judgements made by management and uses a complex estimation technique to prepare the provision.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> <li>• Reviewed management's processes and assumptions for the calculation of the estimate.</li> <li>• Tested the calculation and agreement to supporting documentation</li> <li>• Reviewed the disclosures made by the Council in its financial statements.</li> </ul>	<p>We have received management's judgements and assumptions made in calculating the provision.            The provision has reduced significantly in 2016/17 and we are satisfied with management's judgements for the movement in year after challenging the assumptions made and confirm it is materially fairly stated.</p>



# Audit of the accounts – Council (continued)

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Changes to the presentation of local authority financial statements</b>            CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 CIPFA Code of Practice.            The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> <li>documented and evaluated the process for the recording the required financial reporting changes to the 2016/17 financial statements</li> <li>reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Council's internal reporting structure</li> <li>reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS)</li> <li>tested the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES</li> <li>tested the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger</li> <li>tested the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements</li> <li>reviewed the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.</li> </ul>	<p>Our review of the restated Comprehensive Income and Expenditure analysis and new EFA note did not identify any issues. We did carry out early work on the restated 2015/16 figures but these changed in the draft version of the 2016/17 accounts so we re-performed this review. The reason for the change in analysis is due to additional review at the accounts preparation stage. We requested that further disclosure was included in the accounts in respect of the reasons for the change in presentation for the CIES restatement.</p>

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# Audit of the accounts – Pension Fund

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work on the audit of the pension fund.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Managed Services Partnership (MSP)</b>                      The tri-borough councils implemented a new financial ledger through a managed services partnership with BT from 1 April 2015. There have been a number of difficulties with the implementation which give rise to a significant risk of completeness of the balances in the financial statements.                      The Council is proactively managing the service problems and is in regular contact with BT, including finance officers visiting the BT office on a monthly basis. Significant improvements have been made since the previous year but there remains a risk to the audit opinion.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>• updated our understanding of the Council and Fund’s relationship with the managed service provider during the 2016/17 year</li> <li>• reviewed the control environment around the posting of journals on the ledger and how these operate across the tri-borough</li> <li>• reviewed the service provision arrangements to ensure that the Council had sufficient information to prepare the financial statements in line with the planned closedown and audit timetable of April and May 2017.</li> </ul>	<p>The Council has continued to proactively manage the system and service delivery throughout the 2016/17 financial year. Officers of the Council have continued to visit the BT offices to ensure that the improved system controls are effectively operating throughout the year. Senior officers from BT have met regularly with Council management and have attended special meetings of the Audit &amp; Performance Committee to update TCWG on progress being made to improve service delivery for the year end.</p> <p>Improvements have been made to the journal control environment although the Council are still unable to obtain a report of who posted and authorised every journal from BT. The weakness identified in the prior year in respect of the cross-entity journals has not occurred in 2016/17 for the Pension Fund (although cross-entity journals were found in the Council's journal population).</p> <p>We have identified a weakness in relation to the information flow from the managed services system to the pensions administrator team at Surrey. This has led to a significant backlog in updating the member data during the year. Also, the automated interface function has not yet been implemented and a manual process has been in place throughout the year. We have received sufficient assurance that the managed service partnership is being actively monitored by the Council and appropriate action is taken by management to ensure the accounts were produced in line with the 2016/17 timetable.</p>
<p><b>Level 3 Investments Valuation is incorrect</b>                      Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>• verified the investment balances to the fund manager and custodian report</li> <li>• reviewed the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments, including the management judgement for amending the classification.</li> </ul>	<p>Our audit work has not identified any significant issues in relation to the risk identified. Management has documented its judgement for changing the fair disclosure category movements in the 2016/17 accounts. Enhanced narrative has been added to the accounts to explain managements judgement.</p>

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# Audit of the accounts

## **Audit opinion**

We gave an unqualified opinion on the Council's accounts on 18 July 2017, in advance of the 30 September 2017 national deadline.

The Council made the accounts available for audit in line with the agreed timetable of 6 April 2017, and provided a good set of supporting working papers. This submission date is nearly three months ahead of the statutory deadline for local authorities. The finance team responded promptly and efficiently to our queries during the audit which enabled us to complete the majority of audit testing by early May 2017.

## **Issues arising from the audit of the accounts**

We reported the key issues from our audit of the accounts of the Council to the Council's Audit and Performance Committee on 11 May 2017 and updated for the final findings on 17 July 2017.

## **Pension fund accounts**

We also reported the key issues from our audit of accounts of the Pension Fund hosted by the Council to the Audit and Performance Committee on 11 May 2017 and updated for the final findings on 17 July 2017.

## **Annual Governance Statement and Narrative Report**

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

## **Whole of Government Accounts (WGA)**

We carried out work on the Council's consolidation schedule in line with instructions provided by the NAO. We issued a group assurance certificate which did not identify any issues for the group auditor to consider on 29 September 2017.

## **Other statutory duties**

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We received one objection in relation to the 2016/17 accounts and are currently concluding our procedures before responding formally to the elector.

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# Value for Money conclusion

## Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2016 which specified the criterion for auditors to evaluate:

*In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.*

## Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risk we identified and the work we performed is set out in the table overleaf.

## Overall VfM conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2017.

# Value for Money

## Value for money risk

Risk identified	Work carried out	Findings and conclusions
<p><b>Significant capital projects</b> The capital programme includes a number of key projects and investments, which are significant both in scale and financial terms. The Council recognised in 2015/16 that there was a weakness in arrangements and introduced a new business case process for all major schemes.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 17</p>	<p>We reviewed the project management and risk assurance frameworks established by the Council for the more significant projects, to establish how it was identifying, managing and monitoring these risks.</p> <p>We also reviewed any business cases that are near completion or approved by members by the end of the financial year.</p>	<p>The Council recognised the need for tighter controls around the capital programme as the level of projects and spend has significantly increased since the City for All plan was launched two years ago. The plan focuses on key regeneration plans to ensure the City continues to be a hotspot for business, retail and tourism. A new business case template for all major capital schemes was developed during 2015/16 and this has been used for all new major schemes this year.</p> <p>The business case approach has started to become embedded across the team and there is a wider understanding of the people developing the cases for the level of detail required across the five key areas of the business case: strategic; economic; commercial; financial; and management. Training has been provided to all people involved in the process. These key areas ensure that all key information is provided to the Executive Director and Cabinet Member for making the decision about investment and has seen an increase in the challenge provided by members before a decision about the scheme is made. This has given greater transparency to the major capital schemes.</p> <p>The Council's Capital Review Group (CRG) provides challenge and scrutiny of the business cases. This has an oversight of all capital schemes and monitors progress at the monthly meetings chaired by the Cabinet Member of Finance and Corporate Services. The ward member is also asked to be involved at the outline business case stage to ensure greater member and resident involvement in the scheme.</p> <p>During 2015/16, one business case was completed for the City Hall refurbishment. This will be finalised in May 2017 and will be formally approved by Cabinet.</p> <p>There are three new business cases for 2016/17 that have gone through the review process with the CRG. These are: Beachcroft; West End Partnership (WEP) Oxford Street; and WEP Strand. In addition, there are three more in draft stage. This shows that the business case process is being utilised for the major schemes in the Council's capital programme. This has given greater transparency to the major capital schemes.</p> <p><b>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements.</b></p>

# Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and provision of non-audit services.

## Fees

	Proposed fee £	Actual fees £	2015/16 fees £
Statutory audit of Council	185,719	185,719	211,362
Statutory audit of Pension Fund	21,000	21,000	21,000
Housing Benefit Grant Certification	22,410	22,410	25,386
Challenge work	0	0	25,000
<b>Total fees (excluding VAT)</b>	<b>229,129</b>	<b>229,129</b>	<b>282,748</b>

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

## Reports issued

Report	Date issued
Audit Plan	January 2017
Audit Findings Report	May / July 2017
Annual Audit Letter	October 2017

## Fees for other services

Service	Fees £
<b>Audit related services:</b> <ul style="list-style-type: none"><li>Teachers' pensions grant</li></ul>	3,500
<b>Non-audit services</b> <ul style="list-style-type: none"><li>Subscription to CFO insights</li></ul>	9,500

### Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all other services which were identified.
- We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place, as reported in our Audit Findings Report.

# Reports issued and fees (continued)

We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards have been applied to mitigate these risks.

	Service provided to	Fees	Threat identified	Safeguards
<b>Audit related services</b>				
Teachers' pensions return	Westminster City Council	3,500	<ul style="list-style-type: none"> <li>None identified</li> </ul>	The fee for this work is negligible in comparison to the total fee for the audit and in particular Grant Thornton UK LLP's turnover overall. In addition, the Council prepares all the figures in the Teachers' Pensions return.
<b>Non-audit services</b>				
Subscription to CFO Insights	Westminster City Council	9,500	<ul style="list-style-type: none"> <li>Self-interest threat</li> </ul>	<p>The fee is a recurrent subscription and thus gives high self-interest threat. However, the fee for this work is negligible in comparison to the total fee for the audit and in particular, Grant Thornton UK LLP's turnover overall. It is also a fixed fee with no contingent element. We consider that these factors all mitigate the perceived self-interest threat to an acceptable level.</p> <p>CFO Insights does not provide any advice; the tool provides only information and insight to help inform decision making by officers. It is the responsibility of the Council officers who use the service to undertake informed interpretation of the information provided. The Grant Thornton team that operates this service is separate to the audit team.</p>
	<b>TOTAL</b>	<b>£13,000</b>		

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor and have been approved by the Audit and Performance Committee.



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# Audit and Performance Committee Update Westminster City Council Progress Report and Update

November 2017

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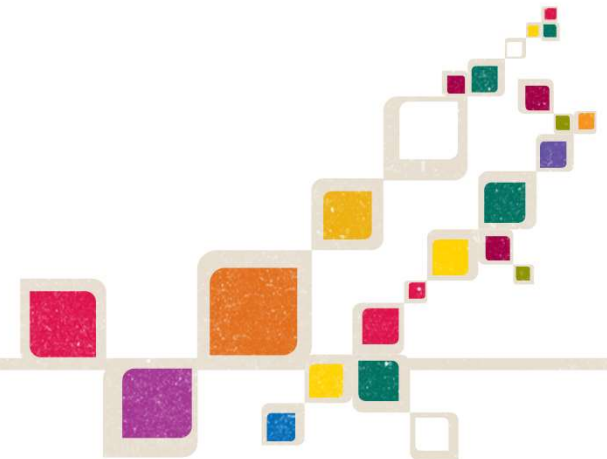
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Agenda Item 5

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



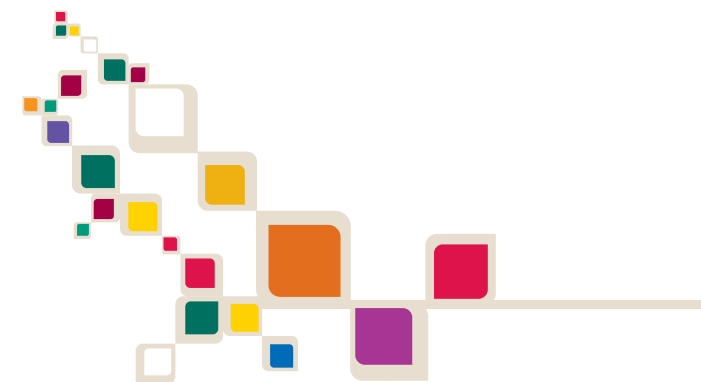
# Introduction

This paper provides the Audit and Performance Committee with a report on progress in delivering our responsibilities as your external auditors.

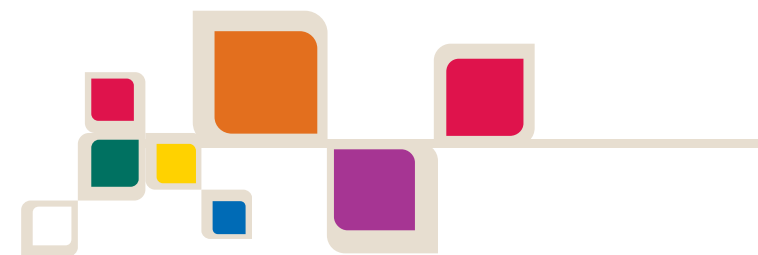
Members of the Audit and Performance Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector. Here you can download copies of our publications and articles, including the reports mentioned in this update along with other items:

- Income generation is an increasingly essential part of providing sustainable local services ; <http://www.grantthornton.co.uk/en/insights/the-income-generation-report-local-leaders-are-ready-to-be-more-commercial/>
- Social enterprises are becoming increasingly common vehicles for delivering services that are not an ‘essential’ service for an authority but still important to the local community; <http://www.grantthornton.co.uk/en/insights/a-guide-to-setting-up-a-social-enterprise/>
- Fraud risk, 'adequate procedures', and local authorities; <http://www.grantthornton.co.uk/en/insights/fraud-risk-adequate-procedures-and-local-authorities/>
- Brexit and local government; <http://www.grantthornton.co.uk/en/insights/a-global-britain-needs-more-local-government-not-less/> and <http://www.grantthornton.co.uk/en/insights/brexit-local-government--transitioning-successfully/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



# Progress at November 2017



2016/17	Planned Date	Complete?	Comments
---------	--------------	-----------	----------

## Objections

We have received two objections from local electors in respect of the Council 's LOBO "Lender option, borrower option" arrangements.

Not Applicable

In progress

We have issued provisional views to both electors and are in the process of finalising our position on these matters.

2017/18	Planned Date	Complete?	Comments
---------	--------------	-----------	----------

## Fee Letter

We are required to issue a 'Planned fee letter for 2017/18 by the end of April 2017. This is the final audit year under the current contract.

PSAA has awarded contracts to audit suppliers and is currently consulting on local appointments. Your audit supplier from 2018/19 will be confirmed by the end of December 2017.

April 2017

yes

The fee letter was issued in April 2017.

## Accounts Audit Plan

We will issue a detailed accounts audit plan to the Council setting out our proposed approach the audit of the Council's 2017/18 financial statements. This will be issued upon completion of our audit planning.

February 2018

Not yet due

This will be presented to the Audit and Performance Committee in February 2018. The plan will be based on our monthly liaison meetings with the finance team, our initial planning and the findings from our early testing.

## Interim accounts audit

Our interim fieldwork visit plan will reflect the need to complete as much as possible earlier in the audit cycle. Our work will include:

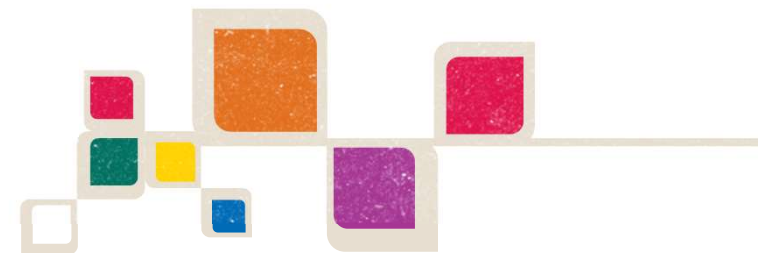
- review of the Council's control environment
- Updating our understanding of financial systems
- review of Internal Audit reports on core financial systems
- early work on emerging accounting issues
- early substantive testing
- Value for Money conclusion risk assessment.

Booked to take place between December and March 2018.

Not yet due

We have planned regular audit visits throughout the financial year to ensure we complete as much early testing as possible before the accounts visit starts on 3 April 2018.

# Progress at November 2017



2017/18	Planned Date	Complete?	Comments
<p><b>Final accounts audit</b></p> <ul style="list-style-type: none"> <li>proposed opinion on the Council's accounts</li> <li>proposed Value for Money conclusion</li> <li>review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17</li> </ul>	April 2018	Not yet due	The Council's ambitious early closedown timetable will be delivered again in 2017/18.
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work is unchanged to last year and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> <li>Informed decision making</li> <li>Sustainable resource deployment</li> <li>Working with partners and other third parties</li> </ul>	Conclusion by April 2018	Not yet due	<p>We will set out the results of our risk assessment and the proposed focus of our work in the Audit Plan.</p> <p>The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report. We will include our conclusion as part of our report on your financial statements.</p>

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# Technical Matters

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# Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and forthcoming provisions for IFRS 9 and IFRS 15

## Code of Practice on Local Authority Accounting in the United Kingdom 2017/18

CIPFA/LASAAC has issued the Local Authority Accounting Code for 2017/18. The main changes to the Code include:

- amendments to section 2.2 (Business Improvement District Schemes (England, Wales and Scotland), Business Rate Supplements (England), and Community Infrastructure Levy (England and Wales)) for the Community Infrastructure Levy to clarify the treatment of revenue costs and any charges received before the commencement date
- amendment to section 3.1 (Narrative Reporting) to introduce key reporting principles for the Narrative Report
- updates to section 3.4 (Presentation of Financial Statements) to clarify the reporting requirements for accounting policies and going concern reporting
- changes to section 3.5 (Housing Revenue Account) to reflect the Housing Revenue Account (Accounting Practices) Directions 2016 disclosure requirements for English authorities
- following the amendments in the Update to the 2016/17 Code, changes to sections 4.2 (Lease and Lease Type Arrangements), 4.3 (Service Concession Arrangements: Local Authority as Grantor), 7.4 (Financial Instruments – Disclosure and Presentation Requirements)

- amendments to section 6.5 (Accounting and Reporting by Pension Funds) to require a new disclosure of investment management transaction costs and clarification on the approach to investment concentration disclosure.

## Forthcoming provisions for IFRS 9 and IFRS 15

CIPFA/LASAAC has issued 'Forthcoming provisions for IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers in the Code of Practice on Local Authority Accounting in the United Kingdom 2018'. It sets out the changes to the 2018/19 Code in respect of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. It has been issued in advance of the 2018/19 Code to provide local authorities with time to prepare for the changes required under these new standards.

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a single classification approach for financial assets, a forward looking 'expected loss' model for impairment (rather than the 'incurred loss' model under IAS 39) and some fundamental changes to requirements around hedge accounting.

## Technical Matters

### Questions:

- Are your Finance Team aware of the changes to the Code of Practice in 2017/18 and the forthcoming changes to lease accounting and revenue recognition?

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 changes the basis for deciding whether revenue is recognised at a point in time or over a period of time and introduces five steps for revenue recognition.

It should be noted that the publication does not have the authority of the Code and early adoption of the two standards is not permitted by the 2017/18 Code.



# Sector issues

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# Independent Review of Building Regulations and Fire Safety

## Sector Issues

The Government has published the terms of reference for the independent Review of Building Regulations and Fire Safety, commissioned following the Grenfell Tower fire tragedy.

The DCLG press release states:

“This Review will urgently assess the effectiveness of current building and fire safety regulations and related compliance and enforcement issues, with a focus on multi occupancy high rise residential buildings. This will include addressing whether the government’s large-scale cladding system testing programme identified any potential systemic failures.

The Review’s 2 key priorities are to develop a more robust regulatory system for the future and provide further assurance to residents that the buildings they live in are safe and remain safe. While the Review will cover the regulatory system for all buildings, it will have a specific focus on multi occupancy high rise residential buildings.

Dame Judith Hackitt, a qualified engineer with strong regulatory background, is leading the Review and will draw on the experience of local government, industry, the fire sector, international experts and MPs. She will also engage with residents of multi occupancy residential buildings.

The Review will report jointly to Communities Secretary Sajid Javid and Home Secretary Amber Rudd. An interim report will be submitted in autumn 2017 and a final report submitted in spring 2018. The Review will co-operate fully with the Public Inquiry, and Dame Judith Hackitt will review her recommendations in the light of the findings of the Inquiry.”

The terms of reference state that the review will:

- map the current regulatory system (i.e. the regulations, guidance and processes) as it applies to new and existing buildings through planning, design, construction, maintenance, refurbishment and change management;
- consider the competencies, duties and balance of responsibilities of key individuals within the system in ensuring that fire safety standards are adhered to;
- assess the theoretical coherence of the current regulatory system and how it operates in practice
- compare this with other international regulatory systems for buildings and regulatory systems in other sectors with similar safety risks;
- make recommendations that ensure the regulatory system is fit for purpose with a particular focus on multi-occupancy high-rise residential buildings.

The full terms of reference are available at:

<https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-terms-of-reference>

# Procurement of external audit services

Public Sector  
Audit Appointments

## Procurement outcome

As a result of the highly successful procurement of auditor services, opted-in Local government and police bodies throughout England will collectively benefit from reduced fees for audit services in 2018/19 compared to 2016/17. Aggregate savings are expected to exceed £6 million per annum, equivalent to a reduction of approximately 18% in the scale fees payable by local bodies.

The results of the process announced on 20 June 2017 involve the award of the following contracts:

- Lot 1 of approx. £14.6 million per audit year was awarded to Grant Thornton LLP;
- Lot 2 of approx. £10.9 million per audit year was awarded to EY LLP;
- Lot 3 of approx. £6.6 million per audit year to awarded to Mazars LLP;
- Lot 4 of approx. £2.2 million per audit year to awarded to BDO LLP;
- Lot 5 of approx. £2.2 million per audit year to awarded to Deloitte LLP; and
- Lot 6 with no guaranteed value of work to awarded to a consortium of Moore Stephens LLP and Scott-Moncrieff LLP.

Contracts were awarded on the basis of most economically advantageous tender with 50% of the available score awarded to price and 50% awarded to quality.

The procurement strategy, agreed by the PSAA Board in December 2016, sets out the basis on which the procurement of audit services was carried out.

Having concluded the procurement, PSAA will commence the process of appointing auditors to opted-in bodies. For more information on the auditor appointment process [click here](#).

## Sector Issues

### Finalising and confirming appointments

The PSAA Board will approve all proposed appointments from 2018/19, following consultation with audited bodies, at its meeting in mid-December. The Board's decision on the appointment of auditors is final. Following Board consideration, we will write to each audited body to confirm their appointment. We plan to send all confirmations on 18 December..



### Housing Benefit (Subsidy) Assurance Process 2018/19: Module 1 Special Purpose Framework Instruction:

This Circular sets out the arrangements for the audit of the housing benefits subsidy for 2018/19. It is for the LA to appoint a reporting accountant to undertake this work and notify the DWP of this. A standard letter of notification for the LA use is set out in Appendix 1. This letter of notification must be issued to the DWP by the LA no later than the 1st March 2018.

# Local Authority 2016/17 Revenue Expenditure and Financing

## Sector Issues

DCLG has produced a summary of Local Authorities' 2016/17 provisional revenue spending and financing. It notes that Local government expenditure accounts for almost a quarter of all government spending and the majority of this is through local authority revenue expenditure. The summary is compiled from the Revenue Outturn (RO) returns submitted by all local authorities in England. Coverage is not limited to local councils in England and includes other authority types such as Police and Crime Commissioners and Fire authorities.

The headline messages include:

- Page 31
- Local authority revenue expenditure totalled £93.5 billion for all local authorities in England in 2016-17. This was 1.1% lower than £94.5 billion spent over 2015-16.
  - Expenditure on Adult Social Care increased to £14.9 billion in 2016-17. This was £0.5 billion (3.6%) higher than in 2015-16. 2016-17 was first year local authorities were able to raise additional funding for Adult Social Care through the council tax precept.
  - The largest decrease in local authority expenditure was on Education services. This was £0.8 billion (2.4%) lower in 2016-17 than in 2015-16. The majority of this decrease is due to local authority funded schools converting to academies.
  - Local authorities are financing more of their expenditure from locally retained income. 40.4% of revenue expenditure was funded through council tax and retained business rates and 57.5% from central Government grants. The remaining 2.1% was funded by reserves and collection fund surpluses. These percentages were 38.7%, 60.4% and 0.9% respectively in 2015-16.
  - Local authorities used £1.5 billion (6.2%) of the £24.6 billion reserves balance held at the start of the 2016-17.
  - Local authorities' use of reserves was £1.1 billion higher in 2016-17 than in 2015-16. Due to changes in their capital programme, £0.5 billion of this increase is due to the Greater London Authority.

The full report is available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/639755/Revenue\\_Expenditure\\_and\\_Financing\\_2016-17\\_Provisional\\_Outturn.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/639755/Revenue_Expenditure_and_Financing_2016-17_Provisional_Outturn.pdf)

## Did you know....

This data set and many others are included in CFO Insights.

CFO Insights is the Grant Thornton and CIPFA online analysis tool. It gives those aspiring to improve the financial position of their organisation instant access to insight on the financial performance, socio-economic context and service outcomes of theirs and every other council in England, Scotland and Wales.

More information is available at:

<http://www.cfoinsights.co.uk/>



# Grant Thornton publications

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# Setting up a successful social enterprise

Local government continues to innovate as it reacts to ongoing austerity. An important strand of this response has been the development of alternative delivery models, including local authority trading companies, joint ventures and social enterprises.

This report focuses on social enterprises in local government; those organisations that trade with a social purpose or carry out activities for community benefit rather than private advantage. Social enterprises come in a variety of shapes and sizes as they do not have a single legal structure or ownership rule and can adopt any corporate form as long as it has a social purpose.

In this report we explore what social enterprises look like, the requirements for setting one up, how they should be managed to achieve success and how they can be ended.

We have complemented this with a range of case studies providing inspiring ideas from those that have been successful and some lessons learned to take into consideration.

## Key findings from the report:

- Austerity continues to be a key driver for change: social enterprises are a clear choice where there is an opportunity to enhance the culture of community involvement by transferring these services into a standalone entity at its centre
- The social enterprise model tends to lend itself more to community services such as libraries, heritage management and leisure, but not exclusively so
- Social enterprises can open up new routes of funding including the ability to be flexible on pricing and access to pro bono or subsidised advice
- Some local authorities have converted existing models into social enterprises; for example where a greater focus on social outcomes has been identified

## Striking a balance between financial and social returns

If you are a local authority looking to transition a public service to a social enterprise model certain factors will be key to your success including: leadership, continuing the culture, branding, staff reward and secure income stream.

Download our guide to explore how to handle these factors to ensure success, the requirements for setting up a social enterprise; and how social enterprise can be ended. The guide also showcases a number of compelling case studies from local authorities around England, featuring inspiring ideas from those social enterprises that have been a success; and lessons learned from those that have encountered challenges.

## Grant Thornton publications

### Questions:

- Is your Council exploring options for delivery of services?
- Have you read our report?
- Have you downloaded our guide?



<http://www.grantthornton.co.uk/en/insights/a-guide-to-setting-up-a-social-enterprise/>

# A Manifesto for a Vibrant Economy

## Developing infrastructure to enable local growth

Cities and shire areas need the powers and frameworks to collaborate on strategic issues and be able to raise finance to invest in infrastructure priorities. Devolution needs to continue in England across all places, with governance models not being a “one-size-fits all”. Priorities include broadband, airport capacity in the North and east-west transport links.

Addressing the housing shortage, particularly in London and the Southeast, is a vital part of this. There simply is not enough available land on which to build, and green belt legislation, though designed to allow people living in cities space to breath, has become restrictive and is in need of modernisation. Without further provision to free up more land to build on, the young people that we need to protect the future of our economy will not be able to afford housing, and council spending on housing the homeless will continue to rise.

Business rates are also ripe for review – a property-based tax is no longer an accurate basis for taxing the activity and value of local business, in particular as this source of funding becomes increasingly important to the provision of local authority services with the phasing out of the Government’s block grant.

Demographic and funding pressures mean that the NHS no longer remains sustainable, and the integration of health and social care – recognised as critical by all key decision makers – remains more aspiration than reality.

There is an opportunity for communities to take a more holistic approach to health, for example creating healthier spaces and workplaces and tackling air quality, and to use technology to provide more accessible, cheaper diagnosis and treatment for many routine issues

## Finding a better way to measure the vibrancy of places

When applied to a place we can see that traditional indicators of prosperity such as GVA, do not tell the full story. To address this we have developed a [Vibrant Economy Index](#) to measure the current and future vibrancy of places. The Index uses the geography of local authority areas and identifies six broad objectives for society: prosperity, dynamism and opportunity, inclusion and equality, health wellbeing and happiness, resilience and sustainability, and community trust and belonging.

The city of Manchester, for example, is associated with dynamic economic success. While our Index confirms this, it also identifies that the Greater Manchester area overall has exceptionally poor health outcomes, generations of low education attainment and deep-rooted joblessness. These factors threaten future prosperity, as success depends on people’s productive participation in the wider local economy, rather than in concentrated pockets.

Every place has its own challenges and opportunities. Understanding what these are, and the dynamic between them, will help unlock everybody’s ability to thrive. Over the coming months we will continue to develop the Vibrant Economy Index through discussions with businesses, citizens and government at a national and local level.

**Guy Clifton – Head of Local Government Advisory**

Grant Thornton publications

## Question:

- Have you read our manifesto?



CREATING A MANIFESTO  
FOR A VIBRANT ECONOMY  
Draft recommendations  
April 2017



<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/documents/creating-manifesto-vibrant-economy-draft-recommendations.pdf>

# The Board: creating and protecting value

Grant Thornton publications

**Question:**

- Have you read our report?

	<b>Value creation</b>		
<b>Non-executives</b>	<b>Directorship</b>	<b>Leadership</b>	<b>Executives</b>
	<p><b>How well do the non-executives:</b></p> <ul style="list-style-type: none"> <li>• design, debate and decide the organisation's future?</li> <li>• inspire and guide the executive to realise the organisation's purpose?</li> <li>• provide support to the executives?</li> </ul>	<p><b>How well do the executives:</b></p> <ul style="list-style-type: none"> <li>• Make decisions aligned with realising the organisation's purpose?</li> <li>• Inspire and motivate employees to realise the organisation's purpose?</li> <li>• model the values of the organisation?</li> </ul>	
	<b>Value protection</b>		
	<b>Assurance</b>	<b>Management</b>	
	<p><b>How well do the non-executives:</b></p> <ul style="list-style-type: none"> <li>• monitor financial, compliance and business indicators?</li> <li>• ensure appropriate processes are in place to manage risk?</li> <li>• have oversight of the executive team?</li> </ul>	<p><b>How well do the executives:</b></p> <ul style="list-style-type: none"> <li>• set goals, creating plans and allocating resources to achieve them?</li> <li>• effectively assign roles and responsibilities?</li> <li>• Focus on day-to-day tasks and resources needed to deliver strategic aims?</li> </ul>	

Source: The Board: Creating and protecting value, 2017, Grant Thornton



<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/board-effectiveness-report-2017.pdf>

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In all sectors, boards are increasingly coming under pressure from both the market and regulators to improve their effectiveness and accountability. This makes business sense given a strong governance culture in the boardroom produces better results, promotes good behaviour within the organisation and drives an organisation's purpose.

Grant Thornton's new report 'The Board: creating and protecting value' is a cross- sector review of board effectiveness, based on a survey of executives and non-executives from a range of organisations including charities, housing associations, universities, local government, private companies and publically listed companies.

It considers the challenges faced by boards, ways in which they can operate more effectively; and how to strike the right balance between value protection and value creation.

This report uses the DLMA analysis which categorises skills into four areas: Directorship, Leadership, Management and Assurance. This powerful tool provides a framework (see graph 1) with which to evaluate how well an organisation is performing in balance of skills and understanding of roles; and responsibilities between the executive and Board. It helps align risk (value protection) and opportunity (value creation) with overarching strategy and purpose.



# International Consortium on Governmental Financial Management

## Introduction

Grant Thornton and the International Consortium on Governmental Financial Management (ICGFM) partner every other year to perform an international survey of Public Financial Leaders.

In 2015 the theme was innovation in public financial management. This year's survey has been designed to identify and describe emerging issues around transparency and citizen engagement – building on the themes highlighted in the 2015 report.

The insights will be published in a report later in 2017 and we would be delighted if you were able to spend some time completing the brief on-line questionnaire which can be found [here](#). Your Audit Manager will be able to provide you with a link to the survey if required.

Please note that the ICGFM and Grant Thornton will not identify, or attribute thoughts and quotations to, individual survey respondents in the final 2017 report. This preserves your anonymity, so please respond freely, honestly and openly.

We have again partnered with the ICGFM to survey Financial Leaders

### Question:

- Have you completed the ICGFM survey on transparency and citizen engagement?



Innovation in public financial management  
in an increasingly complex and uncertain global environment

Global financial management leaders survey 2015







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City of Westminster

## Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	23 November 2017
<b>Classification:</b>	General Release
<b>Title:</b>	Annual Complaints Review 2016/17
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	There are no financial implications from this report
<b>Report of:</b>	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 2016/17 (**see Appendix 1**).
- 1.2 The attached report (**Appendix 1**) summarises the Council's complaints performance (complaint stages 1 & 2), 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 2017 (**Appendix 2**) is also attached.

### 2 Recommendations

- 2.1 Members are requested to review and note the information about complaints set out in the Annual Complaint Review 2016/17 (**Appendix 1**) and review the Local Government Ombudsman Annual Letter/Review (**Appendix 2**).

### 3 Complaints Handling

- 3.1 The Council has two stage complaints procedure. The two stage procedure is as follows:

- **Stage 1** - Complaints are addressed by the local service manager (10 working day turnaround).
- **Stage 2** - A Chief Executive's review (10 working day turnaround)

If the complainant still remains dissatisfied he/she can take the concern to the Local Government Ombudsman (LGO)

- 3.2 The procedure covers most council services. However, Adults and Children's Social Care Services each have their own separate statutory complaints procedure and as such separate reports are produced for Member and Officer oversight. CityWest Homes (CWH) has been operating its own complaints procedure since 1 April 2012 and produces its own annual complaint report.
- 3.3 The Council's definition of a complaint as redefined and agreed by the policy and Resources Committee in April 1994 is:
- 'Dissatisfaction expressed by the customer which the customer wishes to be treated as a complaint, whether expressed in writing, on the telephone or in person. If in doubt, it's a complaint'**
- 3.4 This definition is quite broad and also includes complaints made by email or via the Council's website.
- 3.5 There can be confusion between what constitutes a complaint and a request for a service. Generally when a first request for a service is made this is not usually considered a formal complaint. The request becomes a complaint if the person makes further contact as they consider the matter has not been dealt with satisfactorily, or to protest against the Council's policies and procedures regarding their service request. Departments apply common sense when deciding what is a complaint as the majority of customers simply wish the Council to put something right so a service area may attempt to do this a couple of times before the matter is put into the formal complaints procedure.
- 3.6 As previously mentioned in item 3.2 not all complaints are dealt with through the Council's complaints procedure, and Adults and Children's Social Services have their own statutory complaints procedure and CityWest Homes operates its own non statutory procedure.
- 3.7 Other concerns which cannot be dealt with under the council's complaint procedure include issues where there are separate statutory appeals procedures such as disputes over parking tickets, planning applications appeals and Housing Benefit appeals, as an appeals process takes precedence over the complaints procedure. As are matters which are or have been subject to Court action, complaints about staff and issues involving insurance claims against the Council although there may be some aspects of the complaint that could be investigated concurrently, e.g. an allegation that the service area delayed in sending information about how to make an insurance claim, and these also

cannot be addressed in our complaints procedure. For this reason the complaints included in this report only relate to allegations of service failure which constitute a formal complaint, and where there is not a legal, statutory procedure or an alternative complaint procedure to deal with the specific issue.

- 3.8 Information used to compile the 2016/17 annual report has largely come from the new complaints database. This is the first time the Council has had a complete corporate overview of all complaints across all stages as previously information was stored on various systems. However, it should be noted that as use of the new database was phased in there was a small amount of data on other separate systems therefore the report focused on the majority of data in the new system save for data from Parking Services as they did not start using the system until March 2017, therefore their information is shown separately in the report. Regarding the small amount of data not collected, the volume is low and proportionate to each service and therefore would have very little impact on the information given in this report. Therefore the information in the report should be regarded as representative of each service.
- 3.9 To show the scope of reporting the annual review has used a number of charts, graphs and tables. When reviewing the report the Council's Executive Management team commented that they would like to see a more focused report for 2017/18. As we will have data in the system for 2016/17 & 2017/18 we can also provide more comparative reporting.

#### 4 Findings from the Annual Complaint Review

- 4.1 Generally the Complaints Review indicated that there was an overall decrease in complaints across both stages when compared with 2015/16 (down 25% from 1048 to 837), and that there were no serious service failings discovered at stage 2, being the final stage of the complaints procedure. **Section 4** (page 3) of the report provides the headline findings, and refers to the volume of stage 1 complaints coming from City Treasures (Housing Benefits/Council Tax/Business Rates), and from Growth Planning and Housing. **Section 7, Table 4** (page 6) illustrates this point and the reference to Housing Benefit complaints refers to the processing and payment of HB claims. The reference to "Housing" under the Growth, Planning and Housing Directorate relates to complaints about Housing Options and matters about the allocation of our housing stock, homelessness, temporary and permanent housing.
- 4.2 When reviewing performance relating to stage 1 response times (**Section 9**, pages 8 to 10), please note the complaints procedure has a target response time of 10 working days at both stage 1 and stage 2. The table in **Item 9.3** (page 9 of the report) indicates that City Treasures (Revenue and Benefit) has the highest volume of complaints and 95% of these are responded in target response time. City Management were the slowest with 43% of responses being undertaken in target response time and 34% of their responses being undertaken in 20 days or more. Furthermore, as illustrated in **item 9.7** one team (Highways Infrastructure

and Public Realm) did not respond to most of its complaints in target response time. This particular team has now turned its poor performance around and reports run for the first and second quarter of the current year indicate all complaints from this team met the target response time. Furthermore, City Management is monitoring their service areas response times very closely and is working to improve response times across all service teams.

- 4.3 When reviewing the information in the report on Most Common causes of complaints at stage 1 (**Section 11**) page 11 to 13, please note that previously we have not been able to collect this data because of the number of different systems which were being used. As this is the first time we have been able to gather this information decided to simply report the information and to note that across the services failures to do something and delays in doing something were the most common cause of complaint.
- 4.4 There was also a decrease in the volume of stage 2 complaints from 163 in 2015/16 to 146 in 2016/17 (see **Section 12** page 14), and that 64% of complaints of stage 2 complaints are from the City Treasurer and therefore relate to complaints about Housing Benefit, Council Tax and Business Rates (see **item 12.3 Table 6**). Please note that many complaints about Housing Benefit have something to do with the speed a claim is put into payment and the amount of information required to support a claim. Procedures are robust and people can become frustrated because of the length of time taken before a claim is in payment.
- 4.5 As seen in **Section 14** page 17 (Reasons for Complaints), the data collected suggests that 46% of complainants cited no specific reason for escalating their concern to stage 2, being the final stage of the procedure. Please note that the graph provided on page 17 only relates to those cases where a reason for escalation was given and of these 72% generally disagreed with the stage 1 finding. Very little fault is found in the complaints investigated at stage 2 and only 3% of complaints were upheld so this does suggest that the service areas are generally putting things right at the first stage of the procedure.
- 4.6 It should also be noted that the Local Government Ombudsman (LGO) Annual Letter for 2016/17 was not published at the time the Annual Review was drafted. This is now available (**Appendix 2**). The annual letter advises that the data in their report will not match the data held by the local authority as they capture all contacts/enquiries/complaints made to them about the individual authority. Many of these concerns are not investigated and are often returned to the authority to answer within their own complaints procedure or are closed after initial enquiries.
- 4.7 The LGO also provide information on decisions made in 2016/17 and some of these relate to complaints started in 2015/16, and of the 19 Not Upheld decisions 7 investigations were started in 2015/16, and 6 of the 21 Upheld decision were from investigations started in 2015/16. In view of this the Complaints Review has focused on the LGO complaints received and completed within 2016/17.

4.8 The LGO made no specific comments about the council's performance, and the Annual Complaints review has reported that no formal public reports were issued against the Council. A review of all the annual letters for the 32 London Boroughs has now been undertaken and this revealed 6 London Boroughs had a formal public report published.

4.9 The table below provides a breakdown of 24 London borough's performance ranked by the total of complaints and enquiries received.

	Total Complaints/Enquiries	Total all Decisions	Cases Not Upheld	Cases Upheld	% cases referred back to LA against Total nos Decisions	% cases closed after initial enquiries made against Total nos Decision
Richmond Upon Thames	59	56	8	7	36%	34%
Hammersmith and Fulham	70	68	5	7	38%	26%
Kensington & Chelsea	74	64	3	6	45%	25%
Wandsworth	91	89	12	13	31%	29%
Islington	106	107	9	7	48%	19%
Barking	109	115	8	15	45%	21%
Tower Hamlets	114	106	12	19	38%	21%
Camden	117	111	13	16	23%	14%
<b>Westminster</b>	<b>122</b>	<b>122</b>	<b>19</b>	<b>21</b>	<b>32%</b>	<b>25%</b>
Enfield	132	135	10	16	55%	19%
Hillingdon	133	125	22	12	24%	38%
Lewisham	135	140	12	23	43%	22%
Redbridge	135	127	18	23	39%	24%
Houslow	136	143	9	16	50%	22%
Hackney	136	141	11	17	43%	28%
Greenwich	137	133	14	17	41%	25%
Waltham Forrest	152	140	10	16	44%	32%
Southwark	166	159	14	23	38%	26%
Brent	168	161	8	17	52%	27%
Newham	194	185	10	22	44%	26%
Haringey	205	202	14	44	38%	23%
Ealing	212	200	16	19	56%	18%
Barnet	244	239	14	36	35%	19%
Lambeth	244	239	14	36	37%	27%

## **5 The Management of Complaints**

- 5.1 Work will continue with the service areas to how best use the new complaints management system so to provide meaningful performance management data.
- 5.2 The decrease in complaint volume especially at Stage 2 is being monitored and the complaints team is monitoring stage 1 responses to ensure that quality responses continue to be provided.
- 5.3 The Cabinet and Ward Member team are now all fully trained in the use of the new system and they will now use it to monitor the volume and type of correspondence received

## **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](mailto:showell@westminster.gov.uk)

## **BACKGROUND PAPERS**

None



# **APPENDIX 1**

## **Annual Complaint Review 2016/17**

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City of Westminster

## **Annual Complaints Review 2016/17**

July 2017

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

## **1. Introduction**

- 1.1 This report presents complaints performance and trends for 2016/17. 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's two stage complaints procedure is as follows:
- **Stage 1** - Complaints are addressed by the local service delivery manager (10 working day turnaround).
  - **Stage 2** - A Chief Executive's review undertaken (10 working day turnaround)
  - **LGO** - If the complainant still remains dissatisfied he/she can take the concern to the LGO
- 2.2. The procedure covers most council services although Adults and Children's Social Care Services each have their own statutory complaints procedure. In view of this separate reports are produced for Member and Officer over sight, therefore 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 has not been assessed in this report. CWH produces its own annual complaint report which had not been completed at the time of drafting this report.
- 2.4. Previously Stage 1 complaints data was captured on a number of different systems. However, a new corporate complaints database went live in April 2016 although usage was phased in, and the system was connected to the complaints web page form in September 2016. Parking Services complaint data was not recorded in the new system for 2016/17 as they had other technical issues which were not resolved until March 2017. In view of this Parking Services data is shown separately and is not included in the majority of the charts, tables and graphs for stage 1 complaint data.
- 2.5. As some services have a small amount of data on other system this report will focus on the majority of the complaints data which was recorded in the new system and therefore the information in this report will be representative of each services performance.
- 2.6. This report will include information on all stage 2 complaints and all Local Government Ombudsman complaints received in 2016/17 as they were all entered into the new system when it went live.

## **3. The management of complaints**

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

- The Council's Complaints Team have been overseeing the use of the new complaints system throughout the year and this has included training of staff across the Council on how to use the system, resolving teething problems and developing the reporting and analytical components. The Council now has, for the first time, a complete corporate overview of all complaints.
- There continues to be some localised training issues in the way data is being entered and the Corporate Complaints team is cleaning up data entered incorrectly and working with the various teams who still have problems in entering data so that the system can produce the reports required to manage performance. The complaints Team is reviewing data on a monthly basis until such time as the organisation has truly embedded this system into its operation.
- The new system is also being used by the Cabinet and Ward member support team but owing to some technical issues there has not been a full take up of the system by all team members. This is now being phased in.

#### 4. **Headline findings**

##### **Complaint Numbers**

- 4.1. There has been an overall decrease in the total number of complaints across all stages of the complaints procedure (down 211 which equates to 25%) when compared to the previous year. It is difficult to draw any firm conclusions as there may have been some under reporting following the introduction of the new complaints system, and there has been a reduction of Housing Benefit complaints received when compared with 2015/16.

##### **Stage 1**

- 4.2. **Complaint Volumes** - 3 Directorates deal with complaints in significant volume (City Treasurers 62%, Growth Planning and Housing 23% and City Management and Communities 15%)
- 4.3. Of the 62% (388) complaints from City Treasurers 51% are about Housing Benefit, 44% are Council Tax and 5% from Business Rates
- 4.4. **Response Times** – 84% of stage 1 complaints were responded to within target response time (10 working days). 86% met the target response time in 2015/16 so there has been a slight decrease in performance
- 4.5. Waste and Parks and Highways Infrastructure and Public Realm have the most difficulty in meeting the target response time. Highways Infrastructure and Public Realm have already put measures in place to improve their performance
- 4.6. **Complaint Outcomes** – 24% of stage 1 were Upheld against 28% in 2015/16
- 4.7. **Most common causes of complaints** – The most common causes are failures to do something and delays in doing something.
- 4.8. 35-40% of complaints about delays were upheld and a similar amount with respect to service quality
- 4.9. There were 8 complaints with allegations of incorrect charges and all 8 were upheld

## Stage 2

- 4.10. **Complaint Volume/Escalation** - Stage 146 complaints escalated from stage 1 to stage 2 against 163 complaints in 2015/16 (down 10%)
- 4.11. 64% of all stage 2 complaint are from City Treasurers of these 34% relate to HB, 24% to CT and 3% to business rates
- 4.12. **Response Times** – 66% of stage 2 complaints were responded to in target response time
- 4.13. **Complaint Outcomes** - 3% of all stage 2 complaints were Upheld against 4% in 2015/16 and most stage 2 complaints were not upheld
- 4.14. **Reasons to Escalate** - Of all stage 2 complaints 46% had no specific reason for the escalation. This is due to a system issue as reason for escalation are only captured in the system if the stage 1 complaint was started in icasework and many stage 1 complaints especially from the first two quarters of the financial year were recorded on other systems.

## Local Government Ombudsman (LGO)

- 4.15. **Volume** - There was a slight increase in LGO first time enquiries 34 received in 2016/17 against 28 in 2015/16.
- 4.16. **Response Times** - 53% of first time enquires were completed in target response time
- 4.17. **Complaint Outcomes** - Of the 34 first time enquiries received 28 decisions have been made. Of these 12 cases were Upheld with Maladministration and Injustice, and No formal maladministration with injustice report which require publication and reporting to the Leader of the Council, the relevant Cabinet Member, the Chief Executive have been issued in 2016/17
- 4.18. **LGO Annual letter** - At the time of drafting this report the LGO Annual letter had not been issued/received
- 4.19. **Compensation** - Was offered in 7 cases in 2016/17 and a total amount of £6,070 was paid, against 10 cases in 2015/16 and £4,350 having been paid.
- 4.20. There was one Housing Options complaint where the LGO awarded one payment of £4,700 as their finding was that there were a series of various delays in dealing with different aspects and the complainant and her family had to live in unsuitable conditions for 14 months so their award was on the higher end of their scale.

## Leader and Cabinet Member Correspondence

- 4.21. The data provided indicates that there has been a slight decrease (down 29) in the volume of correspondence received

## 5. Complaint Volumes- Across all Stages and Directorates

**Table 1: Comparison of total numbers of complaints for 2015/16 and 2016/17**

	2015/16	2016/17	Variance	% change
<b>Stage 1</b>	885	691	-194	-28%
<b>Stage 2</b>	163	146	-17	-12%
<b>Total</b>	1048	837	-211	-25%

- 5.1. As indicated in **Table 1** there has been an overall decrease in the total number of complaints across all stages of the complaints procedure when compared to the previous year. It is difficult to draw any firm conclusions as there may have been some under reporting following the introduction of the new complaints system, and there has been a reduction of Housing Benefit complaints received when compared with 2015/16.
- 5.2. In view of this complaint volumes will be closely monitored in the current financial year to see if the decrease is a continuing trend.

## 6. Stage 1

- 6.1. Stage 1 Date - Period Captured – complaints recorded between 1st April 2016 and 31st March 2017 except for complaints from Parking Services as they did not use the new system in 2016/17 so their stage 1 data has been shown separately. For this reason Parking Services does not feature in the charts, graphs and tables generated by the system.
- 6.2. Number of Stage 1 Complaints in the Period – **626** (*does not include volume from Parking Services*)
- 6.3. In the preceding year (2015/16), 885 stage 1 complaints this represents a 28% increase when compared with 2016/17. However, as stated in item 5.1 there may have been some under reporting when services switched from the old system of collecting complaint data to using the new system, and there has been a reduction in the number of HB complaints on the preceding year.
- 6.4. **Number of Complaints by Directorate**
- Contains - All complaints received in 2016/17 and recorded in icasework. Parking Services is shown separately as their data did not go into the new complaints system in 2016/17

**Table 2 - All complaints made by Directorate**

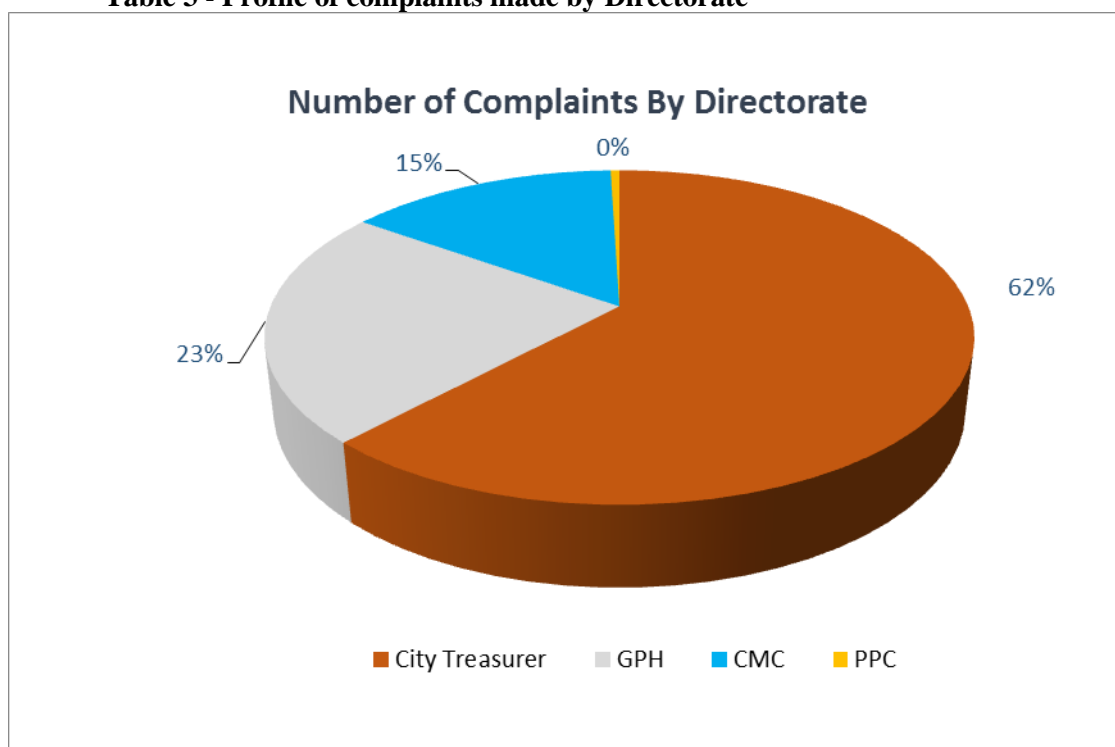
Directorate	Number of Complaints	% of all Complaints
City Treasurer	388	62%
Growth, Planning and Housing	143	23%
City Management and Communities	92	15%
Policy, Performance and Communications	3	0%
<b>Total</b>	<b>626</b>	<b>100%</b>

### Parking Services Data

<b>Parking Services Volume &amp; Outcome</b>			
Total	Upheld	Not Upheld	Partially Upheld
61	22	26	9

<b>Parking Services Response Times</b>			
Total	0-10 days	11-20 days	20+ days
61	47	10	4

**Table 3 - Profile of complaints made by Directorate**



6.5. Three Directorates deal with complaints in significant volumes as recorded in icasework.

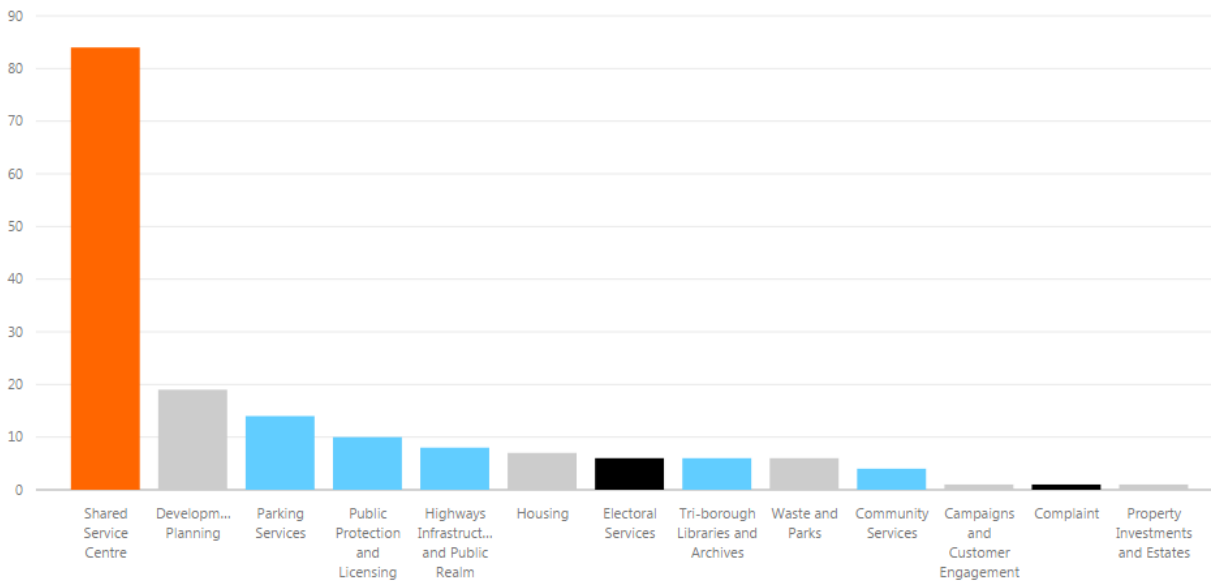
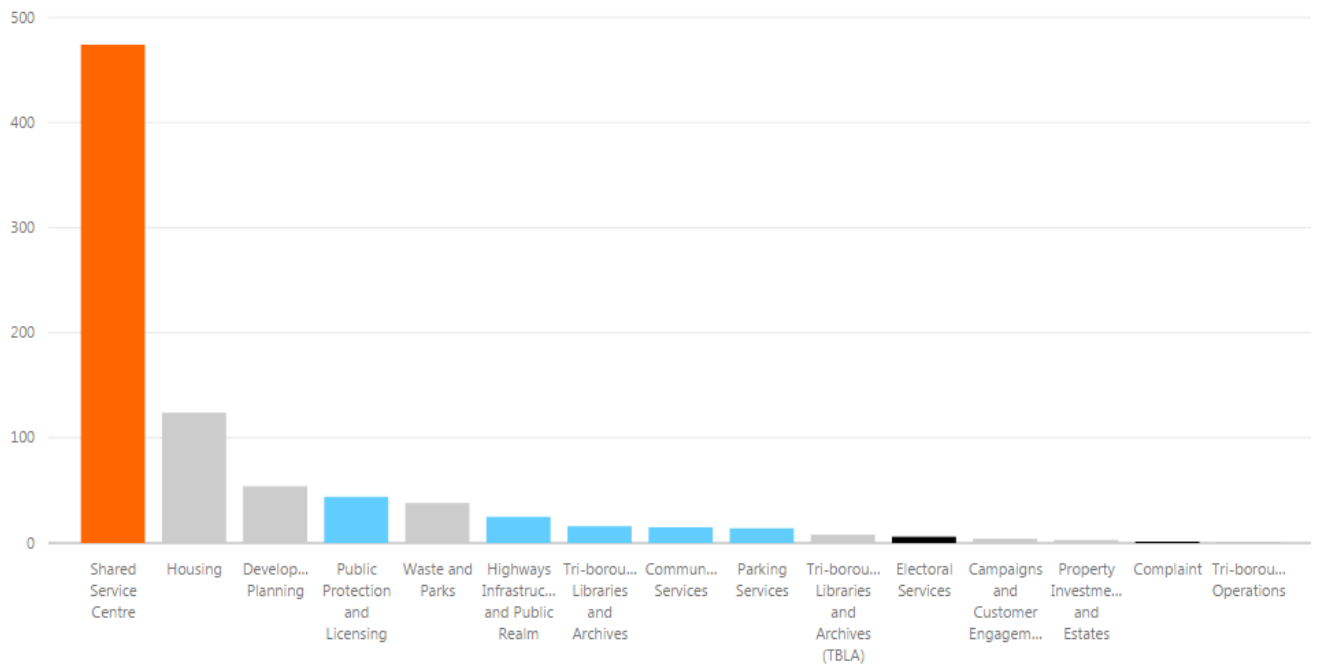
**7. Number of Complaints by Divisions within each Directorate**

- This table contains all complaints received in 2016/17, by the structural units within each Directorate recorded as “divisions in Icasework. The exception presented here, are teams within Shared services in City Treasurers, which are broken out, as they have high volumes.

**Table 4 - Profile of complaints made by directorate**

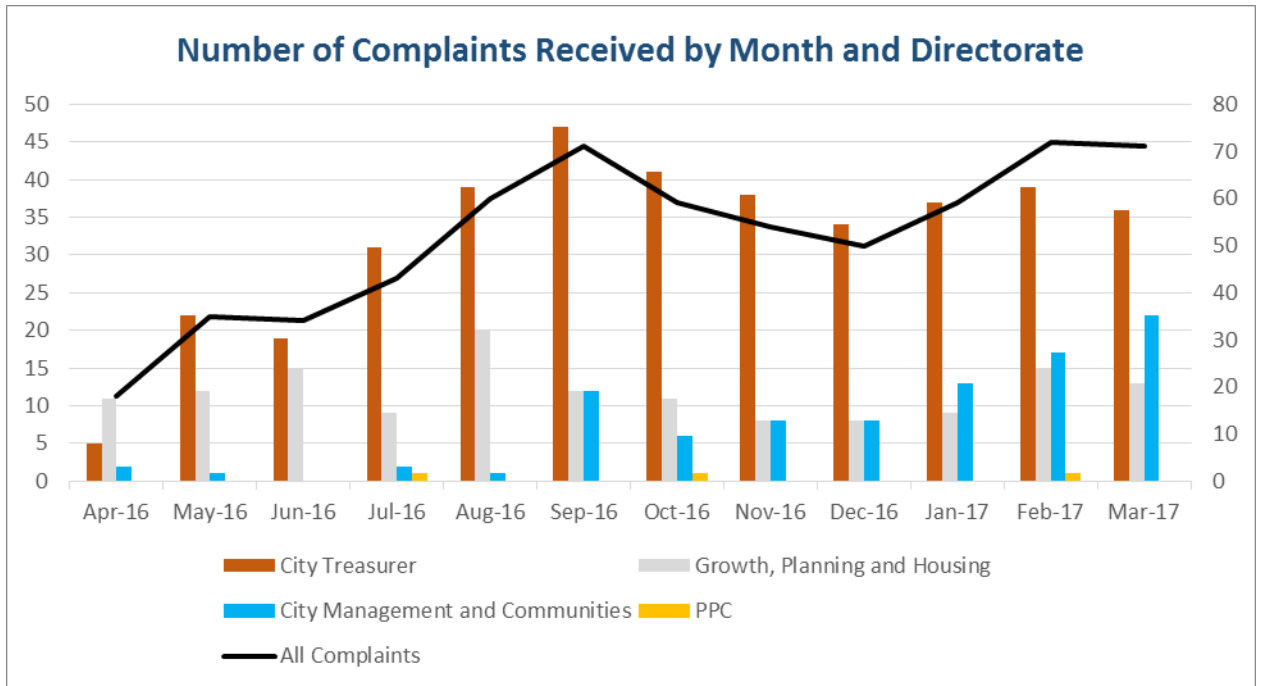
Directorate/ Division	Number of Complaints	% of all Complaints
<b>City Treasurers</b>	<b>388</b>	<b>62.0%</b>
<i>Housing Benefit</i>	197	31.5%
<i>Council Tax</i>	172	27.5%
<i>Business Rates</i>	18	2.9%
<i>Other</i>	1	0.2%
<b>City Management and Communities</b>	<b>92</b>	<b>14.7%</b>
<i>Public Protection and Licensing</i>	29	4.6%
<i>Waste and Parks</i>	22	3.5%
<i>Libraries and Archives</i>	15	2.4%
<i>Highways and Public Realm</i>	14	2.2%
<i>Community Services</i>	11	1.8%
<i>Other</i>	1	0.2%
<b>Growth, Planning and Housing</b>	<b>143</b>	<b>22.8%</b>
<i>Housing</i>	106	16.9%
<i>Development Planning</i>	35	5.6%
<i>Corporate Property</i>	2	0.3%
<b>Policy, Performance and Communications</b>	<b>3</b>	<b>0.5%</b>
<i>Campaigns / Engagement</i>	3	0.5%
<b>Total</b>	<b>626</b>	<b>100%</b>





## 8. Trends in volumes of complaints received

- 8.1. This data is included to give insight into changing trends with complaints numbers. For all Directorates the shifting onto the Icasework platform will impact as well as changes in complaint volumes.



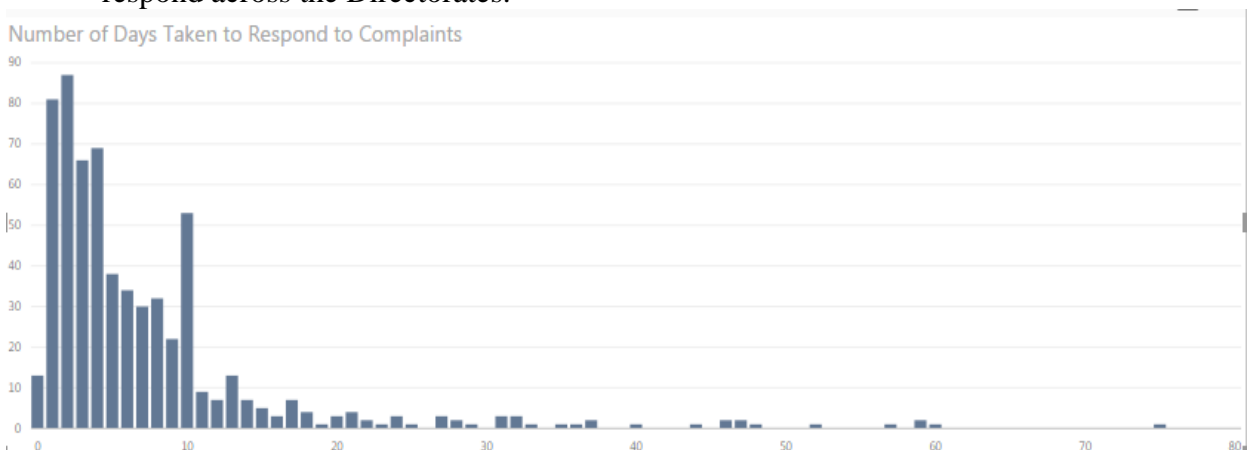
8.2. City Treasurers, who deal with most complaints had a spike in September 2016, but no trends in terms of on-going growth or reduction in numbers.

8.3. City Management have seen a growth in complaints believed largely due to the adoption of icasework by different services

8.4. Growth Planning and Housing complaints peaked in the summer of 2016 (August), but there is no indication of a growth or reduction in complaints long term.

## 9. Response Times for all

9.1. The data in the chart below shows the profile of the number of days taken to respond across the Directorates.



9.2. What this chart shows is that the modal number of days (most common) to respond to complaints is actually only 2, and that the vast majority of complaints dealt within 10 days are actually dealt with, within 5.

### Response Time by Directorate

9.3. Data in the table below contains complaints which are made within the year.  
13 cases are unresolved

Directorate	0-10 days	11- 20 days	20+ days	0-10 days	11- 20 days	20+ days	Median Number of Days to Respond
City Treasurer	366	13	6	95%	3%	2%	3
City Management	37	20	29	43%	23%	34%	12
Growth, Planning and Housing	106	26	7	76%	19%	5%	10
Policy, Performance and Comms.	3	0	0	100%	0%	0%	2
<b>Total</b>	<b>512</b>	<b>59</b>	<b>42</b>	<b>84%</b>	<b>10%</b>	<b>7%</b>	<b>4</b>

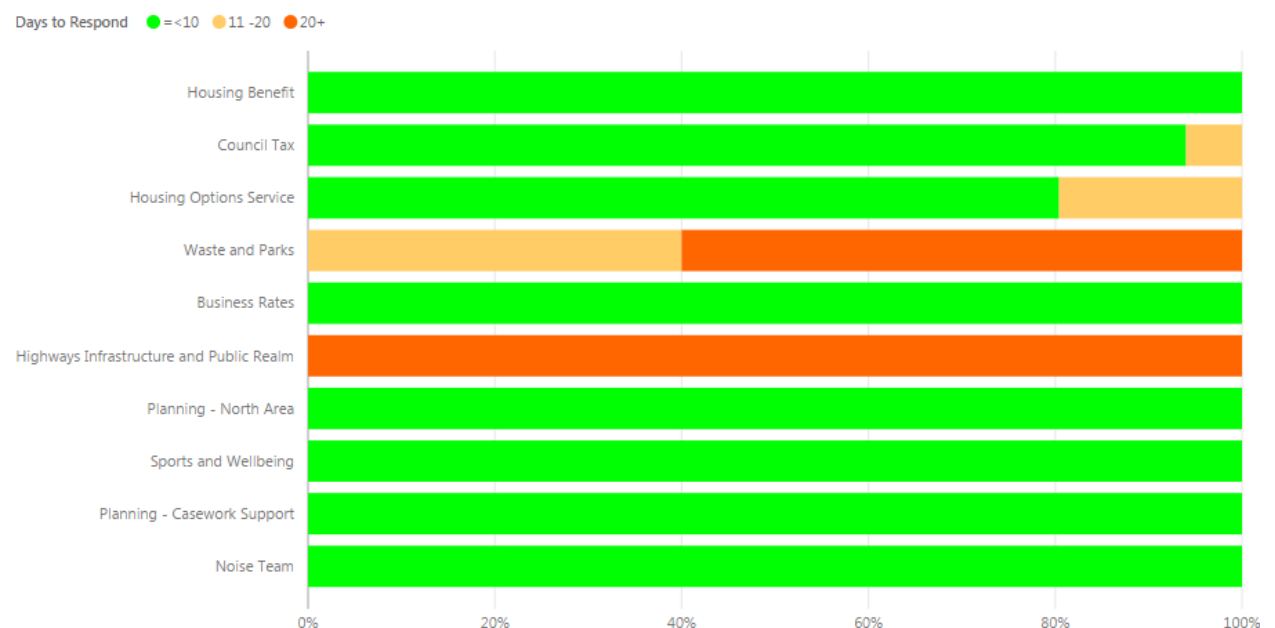
9.4. Overall 84% of complaints were responded to within target 10 days and 94% within 20 days. In 2015/16 86% of stage 1 complaints met the target response time so there has been a slight decrease in meeting to target response of 10 working days.

9.5. City Management, who receive 15% of all complaints were responsible for almost 70% of all the complaints that ran over 20 days.

9.6. City Treasurers who have the highest volumes of complaints were generally very quick in response time with around 5% missing the 10 day target.

### Response Time by Teams

9.7. The chart below contains the same data as 5, but broken down into teams – only teams with only 5 or more complaints are shown in a category are shown. It is ordered (top to bottom) in the order of the total number of complaints.



9.8. The chart below indicates that difficulty in meeting the 10 day target are mainly limited to a few service areas – Waste and Parks, and Highways, Infrastructure and Realm.

9.9. With regard to the difficulty in meeting the target response time Highways Infrastructure and Public Realm, has advised that following a service review and change in structure at the end of 2016, the coordination of the correspondence for the Highways and Road Management Services was consolidated into a single point of contact and a backlog was inherited during this change. There have been some teething and performance issues which are being addressed and measures have been put in place to close down all open enquiries (in and out of time) by the 14th June. With new processes, support and additional resources in place they hope to see an improvement that would take performance to at least 95% responses in time. The performance will be monitored by the service.

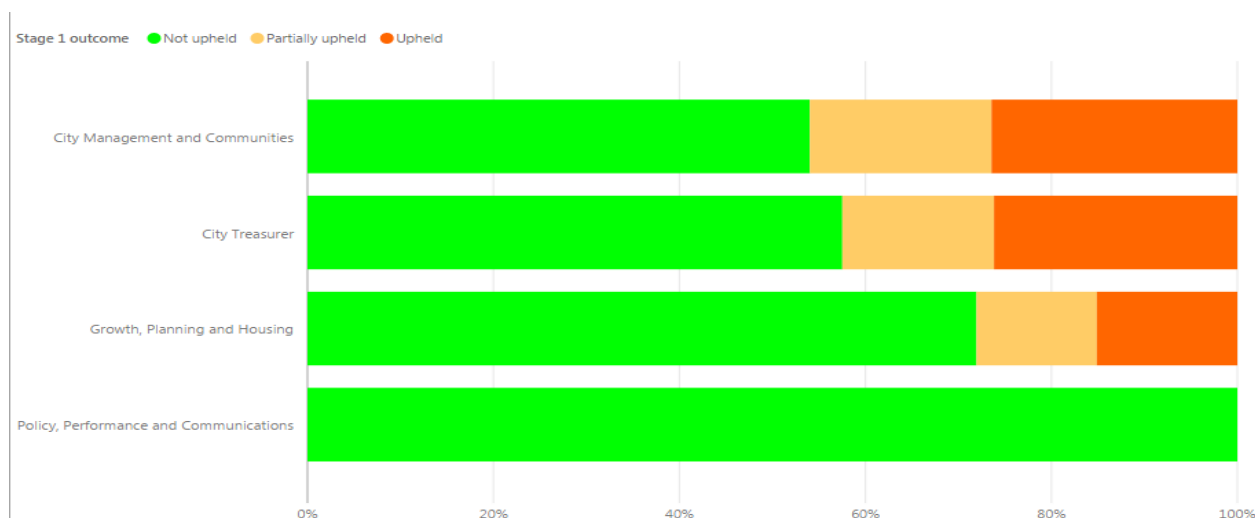
## 10. Complaint Outcomes

10.1. % Figures here are for those complaints where an outcome is known

**Table 5 - Westminster Overall Complaint Outcomes**

Outcome	Number	%
Not Upheld	372	60%
Partially Updated	101	16%
Upheld	145	24%
<b>Total</b>	<b>167</b>	<b>100%</b>
<i>Incomplete/ withdrawn</i>	<i>8</i>	

**Figure 1 - Complaint Outcome by Directorate**



10.2. The upheld complaints are of most interest as these are cases where things have gone wrong. 28% of stage 1 complaints were upheld in 2015/16 against 24% in 2016/17 so there has been a decrease on the preceding year.

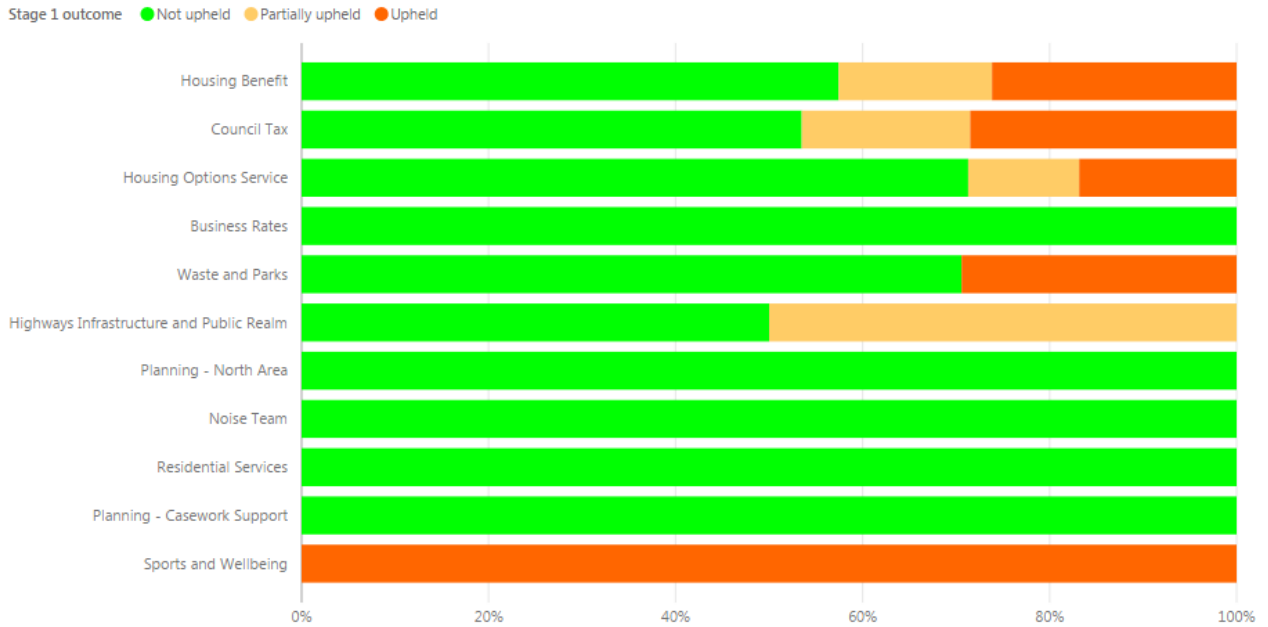
10.3. Growth Planning and Housing, by some margin had the fewest number of complaint upheld or partially upheld.

10.4. A **Partially Upheld** complaint decision is reached when the majority of the complaint concerns are Not Upheld, but there are some minor lapses in service delivery which did not have a significant impact in reaching the complaint decision. For example, a service area concludes that a repair was carried out in accordance with policy and procedure but the service area accepts that it could have been more pro-active in letting the resident know what was happening.

10.5. City Treasurers and City Management both have around 54-57% of complaints not upheld

Figure 2 – Complaints Outcomes by Teams

10.6. Teams are shown in order (top to bottom) of number of complaints received (5 minimum).



10.7. At the team level there are a number of teams where no complaints were upheld, which may in itself be some reason for further questioning. However, if policy and procedure is adhered to a finding of not Upheld is an appropriate finding, this is more so if the reason for the complaint is the complainant simply not liking a legitimate decision taken by the service.

## 11. Most Common Causes of Complaints

11.1. The most common causes of all complaints made in the year.

Complaint Cause	Number of Complaints	% of all categorised complaints in WCC
Failure to do something	107	17%
Delay in doing something	95	15%
Disagree with charge received	89	14%
Not to the quality or standard expected	62	10%
Other service quality cause	40	6%
<b>Total in top 5</b>	<b>393</b>	<b>63%</b>

11.2. The most common causes for complaint are failures and delays in doing something, followed by quality issues.

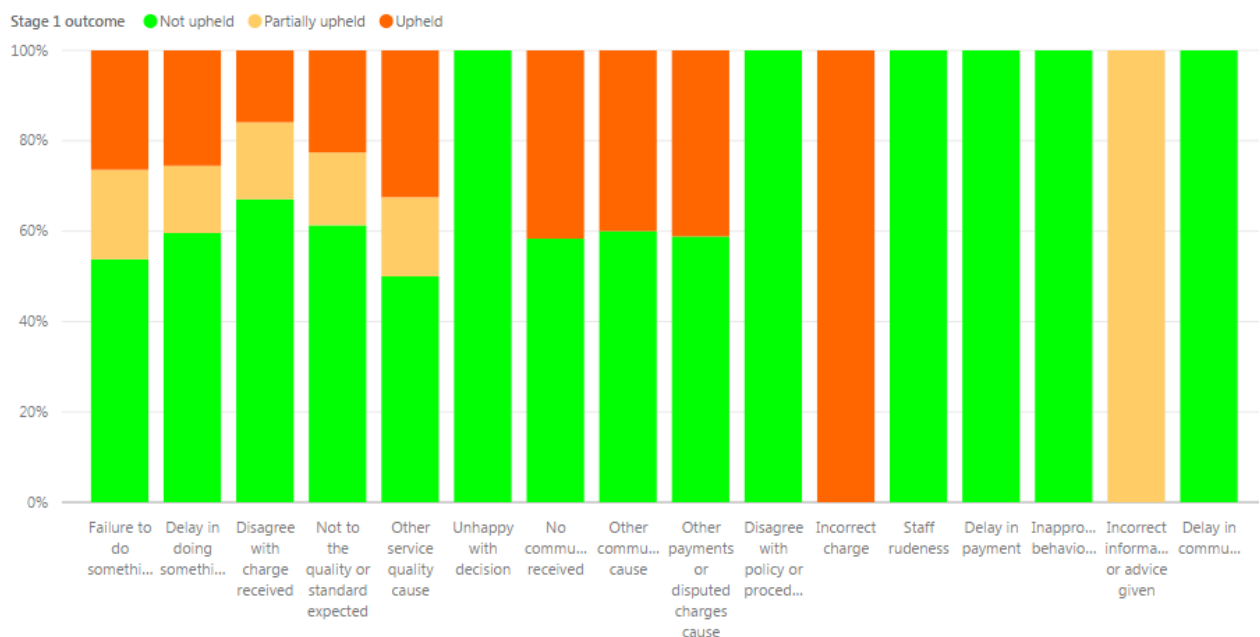
11.3. Only 13 complaints in total, mostly in GPH related to “disagreement with policy or procedure”.

### Within Directorates with most complaints

Most Common Complaint Causes by Directorate	City Management and Communities	City Treasurer	Growth, Planning and Housing	CMC, GPH and City Treasurer Totals
First	Other service quality cause	Failure to do something	Not to the quality or standard expected	Failure to do something
Second	Not to the quality or standard expected	Disagree with charge received	Unhappy with Decision	Delay in doing something
Third	Failure to do something	Delay in doing something	Failure to do something	Disagree with charge received
Fourth	Delay in doing something	No Communication Received	Delay in doing something	Not to the quality or standard expected
Fifth	Inappropriate Behaviour	Not to the quality or standard expected	Disagree with Policy or Procedure	Other service quality cause
Sixth	Disagree with Charge Received	Other Payments or Disputed Charges	Other service quality cause	Unhappy with Decision

### Cause of Complaint by Outcome by Team

11.4. The most common causes (minimum 5 complaints), by the outcome are shown.





- 11.5. 35-40% of complaints about delays were upheld and a similar amount with respect to service quality.
- 11.6. Complaints against incorrect charges, (there were only 8) were all upheld.
- 11.7. No complaints about the policy or the implementation of the policy to come to a decision were upheld.
- 11.8. Not a single complaint about staff rudeness or inappropriate behaviour was upheld.

### Reason for Complaint vs. Outcome

11.9. The table below shows for the 10 most common complaint causes

Top 10 Complaint Causes	Not upheld	Partially upheld	Upheld	Upheld or Partially Upheld	All Complaints	% of all complaints	Upheld or partially upheld as a % of all complaints upheld or partially upheld	Upheld or partially upheld as a % of type of complaint made
Failure to do something	57	21	28	49	106	20%	25%	46%
Delay in doing something	56	14	24	38	94	18%	19%	40%
Disagree with charge received	59	15	14	29	88	17%	15%	33%
Not to the quality or standard expected	38	10	14	24	62	12%	12%	39%
Other service quality cause	20	7	13	20	40	8%	10%	50%
Unhappy with decision	28			0	28	5%	0%	0%
No communication received	14		10	10	24	5%	5%	42%
Other communication cause	12		8	8	20	4%	4%	40%
Other payments or disputed charges cause	10		7	7	17	3%	4%	41%
Disagree with policy or procedure	12			0	12	2%	0%	0%

11.10. The most common reason for a complaint that most commonly led to a partially upheld or upheld conclusion was “other service quality issue” followed by “failure to do something”.

## 12. Stage 2

12.1. Period Captured – complaints recorded between 1st April 2016 and 31st March 2017.

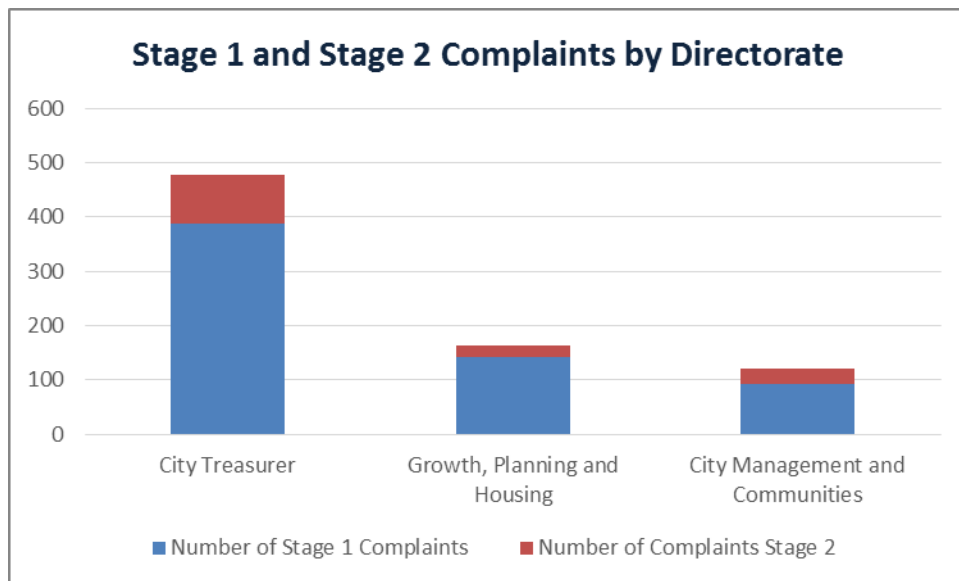
12.2. Number of Stage 2 Complaints in the Period – **146**. In 2015/16 there were **163** complaints received so complaint volume has decreased, down 17 (10%) on 2015/16.

**Number of Complaints by Directorate**

12.3. Contains - All complaints received in 2016/17

**Table 6 - All complaints made by Directorate**

Directorate	Number of Stage 1 Complaints	% of all Stage 1 Complaints	Number of Complaints Stage 2	% of all Stage 2 Complaints	Stage 2 complaints as a % of Stage 1 complaints
City Treasurer	388	62%	90	64%	23%
Growth, Planning and Housing	143	23%	21	15%	15%
City Management and Communities	92	15%	30	21%	33%
Policy, Performance and Communications	3	0%	0	0%	0%
<b>Total</b>	<b>626</b>	<b>100%</b>	<b>141</b>		
<i>Chief Execs</i>			3		
<i>Children's</i>			1		
<i>Unallocated</i>			1		
<b>Total</b>	<b>626</b>	<b>100%</b>	<b>146</b>		



## Number of Complaints by Divisions within each Directorate

Directorate and Division	Directorate and Division	Stage 2 complaints as a % of all complaints received in the period
<b>City Treasurer</b>	<b>90</b>	<b>63%</b>
Housing Benefit	49	34%
Council Tax	34	24%
Business Rates	4	3%
Other	3	2%
<b>City Management and Communities</b>	<b>30</b>	<b>21%</b>
Parking Services	12	8%
Public Protection and Licensing	10	7%
Tri-borough Libraries and Archives	5	3%
Waste and Parks	3	2%
<b>Growth, Planning and Housing</b>	<b>21</b>	<b>15%</b>
Housing	14	10%
Development Planning	7	5%
<b>Total</b>	<b>143</b>	<b>100%</b>

## Number of Complaints by Divisions within each Directorate for 2016/17 and 2015/16

Directorate and Division	2016/17 Directorate and Division	2016/17 - Stage 2 complaints as a % of all complaints received in the period	2015/16 Directorate and Division	2015/16 - Stage 2 complaints as a % of all complaints received in the period
<b>City Treasurer</b>	<b>90</b>	<b>63%</b>	<b>104</b>	<b>65%</b>
Housing Benefit	49	34%	65	41%
Council Tax	34	24%	33	21%
Business Rates	4	3%	4	3%
Other	3	2%	1	1%
<b>City Management and Communities</b>	<b>30</b>	<b>21%</b>	<b>32</b>	<b>20%</b>
Parking Services	12	8%	16	10%
Public Protection and Licensing	10	7%	9	7%
Tri-borough Libraries and Archives	5	3%	4	3%
Waste and Parks	3	2%	3	2%
<b>Growth, Planning and Housing</b>	<b>21</b>	<b>15%</b>	<b>23</b>	<b>14%</b>
Housing	14	10%	17	11%
Development Planning	7	5%	6	4%
<b>Total</b>	<b>143</b>		<b>159</b>	

### 13. Response Time to Complaints by Directorate

- 13.1. Table 7 contains all stage 2 complaints made in the year, with the exception of 1 complaint that was withdrawn and 1 unresolved. Table 8 indicates a comparison of 2016/17 and 2015/16 overall response times.
- 13.2. Response times have slowed when compared with 2015/16. Generally this was due to a number of

complex cases or where multiple sets of questions had to be asked.

**Table 7 Response Time to complaints by Directorate**

Directorate	Number			%			Median Number of Days Taken
	0-10 days	11-20 days	21+ days	0-10 days	11-20 days	21+ days	
City Treasurer	64	20	5	72%	22%	6%	9
City Management and Communities	19	7	4	63%	23%	13%	9
Growth, Planning and Housing	10	8	3	48%	38%	14%	11
Others	2	2	0	50%	50%	0%	
<b>Total</b>	<b>95</b>	<b>37</b>	<b>12</b>	<b>66%</b>	<b>26%</b>	<b>8%</b>	<b>9</b>

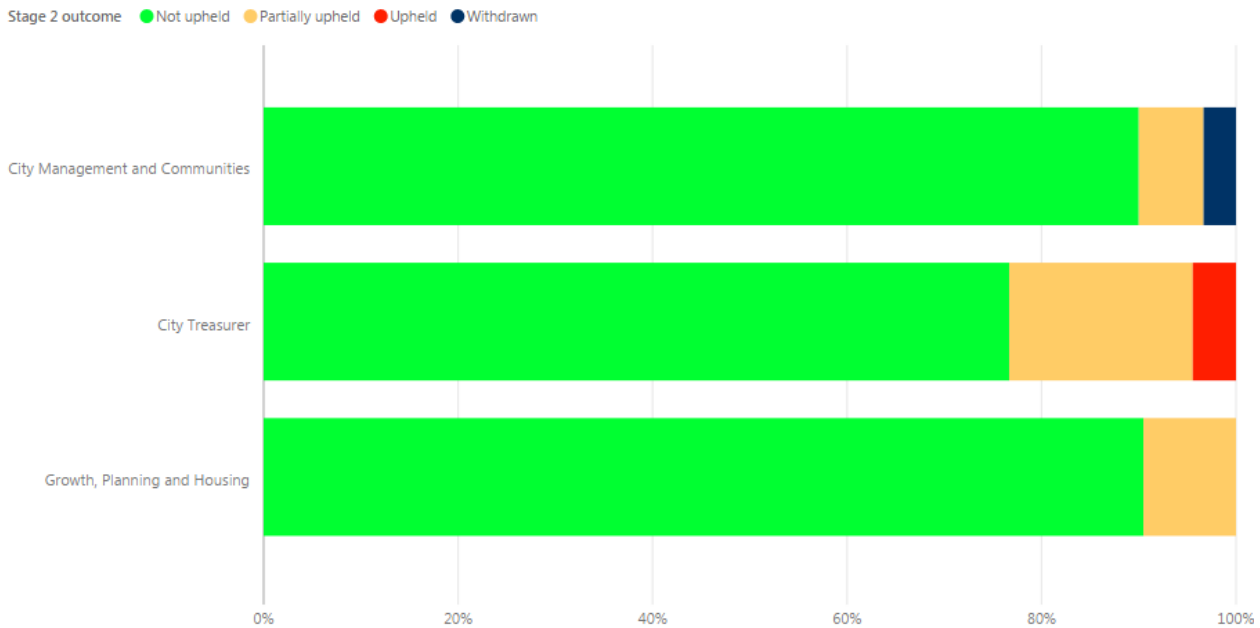
**Table 8 Response Times to Complaints by directorate 2016/17 & 2015/16**

Directorate	2016/17 0-10 days	%		2015/16 0-10 days	%
City Treasurer	64	72%		77	74%
City Management and Communities	19	63%		27	84%
Growth, Planning and Housing	10	48%		17	74%
Others	2	50%		0	0%
<b>Total</b>	<b>95</b>	<b>66%</b>		<b>121</b>	<b>75%</b>

## 14. Outcome by Directorate

Directorate	Not upheld	Partially upheld	Upheld	Withdrawn	Grand Total
City Treasurer	69	17	4		90
City Management and Communities	27	2		1	30
Growth, Planning and Housing	19	2			21
Others	5				5
<b>Grand Total</b>	<b>120</b>	<b>21</b>	<b>4</b>	<b>1</b>	<b>146</b>

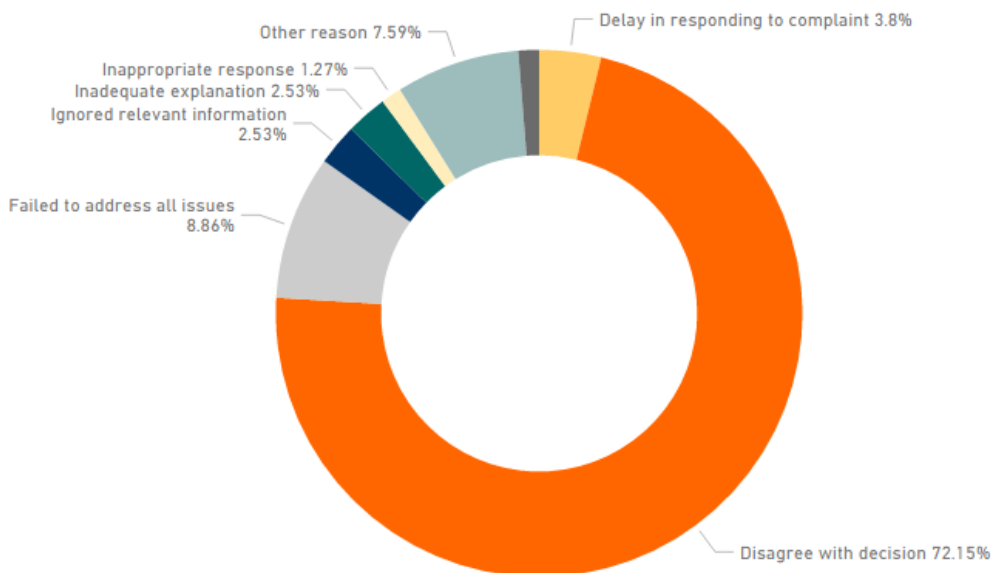
- 14.1. At stage 2 of the complaints procedure 3% of complaints were upheld against 4% in 2015/16 therefore fewer stage 2 complaints found fault when the complaint escalated from stage 1.



### 1. Reasons for Complaints – why did complaints get escalated from Stage 1 to 2

- Of all stage 2 complaints, a full 46% had no specific reason cited for the escalation. The graph below includes only those cases with a reason provided. Please note that the new system can only record reasons for escalation from stage 1 to stage 2 if the stage 1 complaint was originally recorded in the new system and a large proportion of stage 2 complaints were recorded on other systems.

< Back to Report | COUNT OF CASE NUMBER BY STAGE 1 ESCALATION REASON



- Almost ¾ of Stage 2 complaints were as a result of complainants not agreeing with the Stage 1 decision.
- None of the other reasons have high numbers, and because of the lack of full categorisation, it is difficult to make any conclusions. However, the system can only record the reason for escalation if the stage 1 was generated on the system, and in the majority of cases the stage 1 complaint was originally recorded on other systems. This is not the case for the current financial year so it will be possible to draw conclusions in next year’s annual report.

## 2. Stage 2 Outcome by Stage 1 Reason for Complaining

- Of the 146 Stage 2 complaints recorded in 2016/17, 83 were from cases that were initiated and captured in Icasework in this period. This means that some Stage 2 complaints were left over from Stage 1 complaints initiated in 2015/16.
- The most common causes are shown below

Stage 1 Cause for Complaint	No of stage 1 complaints	No that go to stage 2	% of all stage 1 complaints that have a decision at stage 2	Stage 2 Outcome		
				Not Upheld	Partially Upheld	Upheld
Failure to do something	107	17	16%	59%	29%	12%
Delay in doing something	95	13	14%	54%	38%	8%
Disagree with charge received	88	14	16%	93%	7%	0%
Not to standard of quality expected	63	6	10%	83%	17%	0%

## 15. Local Government Ombudsman (LGO) first time inquiries

- 15.1. 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 average response times of first time inquiries is used as a performance measures by the LGO.
- 15.2. As shown in **Table 7** there was a slight increase in the number in the number of first time enquiries when compared with the preceding year. This report also notes that these first time enquiries include 3 cases from Adults Social Care which were not investigated under the Council's Corporate Complaints Procedure as they were dealt with under the statutory procedure.

**Table 6 LGO total First Time Enquiries for the years 2015/16 & 2016/17**



	First Time enquiries Totals 2015/16	First Time enquiries Totals 2016/17	Variance
Finance - HB	7	8	1
Finance - CT/NNDR	3	7	4
Housing Nds	7	8	1
Parking	1	0	-1
Adult's	3	5	2
Children's	1	2	1
Street Mgt	1	1	0
Planning	3	2	-1
Premises Mgt	2	1	-1
<b>Totals</b>	<b>28</b>	<b>34</b>	<b>6</b>

- 15.3. The LGO monitors all local authorities on their response times to first time inquiries. The benchmark was 28 calendar days from the date on the LGO enquiry letter. However, the Ombudsman investigators do now vary the number of days we have to reply. In view of this Table 8 below below measure the first time enquiries which met the investigators target response time.

**Table 8 Number of first time Enquiries Completed on time**

2016/17	Number of enquiries completed in target response time	Number of first time enquiries	% Completed in time
Premises Mgt	1	1	100%
Street Mgt	1	1	100%
Finance-CT/NNRD	3	6	50%
Finance-HB	5	8	63%
Housing Nds	3	8	38%
Parking	0	0	no cases
Planning	1	2	50%
Children's	0	2	0%
Adults	4	5	80%

- 15.4. Overall 65% of all first time enquiries were responded on time.
- 15.5. Generally all services try and respond to the questions asked as quickly as possible although delays have occurred when the information asked for is complex or lengthy enquiries have been made or where the reply sent back for the Complaints Team to review before sending the reply to the LGO has

resulted to the Team asking the service to look at the questions again and provide a fuller response.

- 15.6. While the Council has received 34 first time enquiries in 2016/17 to date 28 decisions have been made. Of these in 12 (43%) cases a decision of Upheld with Maladministration with injustice was entered, in 13 cases (46%) a decision of Not Upheld with No Maladministration was found and in 3 cases (11%) a decision of Maladministration with No Injustice, meaning that during investigation a fault was minor and did not require a remedy.
- 15.7. Of the 12 decision which found maladministration with injustice 11 cases were dealt with under the council's Corporate complaints procedure and 1 cases was dealt with under the Adults statutory procedure.
- 15.8. Of the 11 addressed under the corporate complaints procedure where a decision of Upheld: maladministration and injustice was found, 2 were Partially Upheld at stage 2 of the complaints procedure therefore as the Council already found some fault, albeit very minor, and therefore the LGO would also issue an Upheld decision. In the remaining 9 cases the complaints were Not Upheld at Stage 2 although the LGO went on to find some fault which was not identified as part of the stage 1 and stage 2 decision or they were not remedied to the LGO's satisfaction.
- 15.9. In many cases this was because the scope of the complaint changed and issues came into play which did not form part of the original complaint. Overall, the LGO is finding Maladministration with injustice through looking at the complaint in the wider context and sometimes with new information provided by the complainant, which was not brought to the Council's attention at stage 1 or stage 2.
- 15.10. There were no formal published reports issued against the Council finding maladministration with injustice for 2016/17.

### **Compensation**

- 15.11. 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.
- 15.12. A comparative breakdown of LGO financial remedies for the years 2015/16 and 2016/17 can be found below (Table 9).
- 15.13. It is difficult to make performance comparisons between financial years as each complaint is dealt with on its merits. However, **Table 9** indicates there has been an increase in compensation paid and (up £1,720). Although it should be noted that in one Housing Options case the award of compensation was £4,200. The LGO decided that there had been a series of delays in dealing with various aspects of this case and this led to the complainant and her family living in unsuitable conditions for a long period of time. In view of this they set the award at the higher end of the scale.

**Table 9: Comparison of Financial Local Settlements 2015/16 & 2016/17**

Financial Local settlements	2016/17	nos of cases		2015/16	nos of cases
Housing Nds	£4,700.00	2		£3,200.00	5
Planning	£0.00	0		£250.00	1
Finance (HB/CT/NNRD)	£870.00	3		£700.00	3
Adults	£100.00	1		£200.00	1
Children's	£400	1			0
<b>Totals</b>	<b>£6,070.00</b>	<b>7</b>		<b>£4,350.00</b>	<b>10</b>

15.14. A more detailed look at the LGO performance will be undertaken when the Annual letter is received in late July 2017.

## 16. Leader and Cabinet Members Correspondence

16.1. 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. For the purposes of this report all this correspondence is considered as part of the team and not as part of the complaints figures.

16.2.

16.3. Over the past year the Cabinet Secretariat and Member Services team have found that the individual services have in general provide a prompt service and therefore the team are meeting the ten working day turnaround target for correspondence. Particular praise was given to the Housing Options, Benefits and Parking Services teams for their comprehensive and timely responses.

16.4.

16.5. The quality of the responses is quite high overall and provides enough information to compile a full response to the correspondence. In some cases however the team do have to push for more than one option of moving forward if we feel there could be an alternative. There are also times when some of the information is very technical and it needs to be put into more layman's terms for the resident.

16.6.

16.7. From the backbench Members the main theme of correspondence/enquiries over the last year has been on housing (including high numbers on temporary accommodation and waiting/transfer lists).

16.8.

16.9. The new iCasework case management system has been used fully by the Cabinet Secretariat and Member Services team since 1 September 2016; ensuring that we meet our targets of acknowledging requests within in 24 hours and providing a response in ten working days. The full extent of the benefits of the system will be shown when reporting to this Committee next year, as the data will show a full year of the system being in use.

16.10.

16.11. The data provided in Table 9 indicates that there has been a slight decrease in the volume of correspondence received over the year. However it should be noted that this does not reflect the amount of enquiries the team deal with just the level of correspondence which is responded to and received on a formal basis.

16.12.

**Table 9: A breakdown of correspondence totals received by Cabinet Portfolio**

*Please note that some Cabinet Member portfolios changed in January 2017 and so some correspondence now crosses two portfolios. For the purposes of this report the information has only been included once, in the most relevant portfolio pre-January 2017.*

Portfolio	2016/17	2015/16
Adult Services	15	27
Planning	55	58
Housing	167	130
City Management and Transport	44	66
Sustainability	5	21
Business	1	4
Parking	16	58
Children and Young People	30	17
Premises Management	15	21
Finance (inc benefits)	52	32
Public Protection	3	12
Sports, Leisure and Parks	1	8
Libraries, Culture and Registrar Services	21	0
<b>Totals</b>	<b>425</b>	<b>454</b>

**APPENDIX 2**  
**Local Government Ombudsman**  
**Annual letter 2016/17**

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20 July 2017

*By email*

Charlie Parker  
Chief Executive  
Westminster City Council

Dear Charlie Parker,

### **Annual Review letter 2017**

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGO) about your authority for the year ended 31 March 2017. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

The reporting year saw the retirement of Dr Jane Martin after completing her seven year tenure as Local Government Ombudsman. I was delighted to be appointed to the role of Ombudsman in January and look forward to working with you and colleagues across the local government sector in my new role.

You may notice the inclusion of the '*Social Care Ombudsman*' in our name and logo. You will be aware that since 2010 we have operated with jurisdiction over all registered adult social care providers, able to investigate complaints about care funded and arranged privately. The change is in response to frequent feedback from care providers who tell us that our current name is a real barrier to recognition within the social care sector. We hope this change will help to give this part of our jurisdiction the profile it deserves.

### **Complaint statistics**

Last year, we provided for the first time statistics on how the complaints we upheld against your authority were remedied. This year's letter, again, includes a breakdown of upheld complaints to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us.

We have chosen not to include a 'compliance rate' this year; this indicated a council's compliance with our recommendations to remedy a fault. From April 2016, we established a new mechanism for ensuring the recommendations we make to councils are implemented, where they are agreed to. This has meant the recommendations we make are more specific, and will often include a time-frame for completion. We will then follow up with a council and seek evidence that recommendations have been implemented. As a result of this new process, we plan to report a more sophisticated suite of information about compliance and service improvement in the future.

This is likely to be just one of several changes we will make to our annual letters and the way we present our data to you in the future. We surveyed councils earlier in the year to find out, amongst other things, how they use the data in annual letters and what data is the most useful; thank you to those officers who responded. The feedback will inform new work to

provide you, your officers and elected members, and members of the public, with more meaningful data that allows for more effective scrutiny and easier comparison with other councils. We will keep in touch with you as this work progresses.

I want to emphasise that the statistics in this letter comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

### **The statutory duty to report Ombudsman findings and recommendations**

As you will no doubt be aware, there is duty under section 5(2) of the Local Government and Housing Act 1989 for your Monitoring Officer to prepare a formal report to the council where it appears that the authority, or any part of it, has acted or is likely to act in such a manner as to constitute maladministration or service failure, and where the LGO has conducted an investigation in relation to the matter.

This requirement applies to all Ombudsman complaint decisions, not just those that result in a public report. It is therefore a significant statutory duty that is triggered in most authorities every year following findings of fault by my office. I have received several enquiries from authorities to ask how I expect this duty to be discharged. I thought it would therefore be useful for me to take this opportunity to comment on this responsibility.

I am conscious that authorities have adopted different approaches to respond proportionately to the issues raised in different Ombudsman investigations in a way that best reflects their own local circumstances. I am comfortable with, and supportive of, a flexible approach to how this duty is discharged. I do not seek to impose a proscriptive approach, as long as the Parliamentary intent is fulfilled in some meaningful way and the authority's performance in relation to Ombudsman investigations is properly communicated to elected members.

As a general guide I would suggest:

- Where my office has made findings of maladministration/fault in regard to routine mistakes and service failures, and the authority has agreed to remedy the complaint by implementing the recommendations made following an investigation, I feel that the duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report on complaints to members, for example.
- Where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, I would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.
- In the unlikely event that an authority is minded not to comply with my recommendations following a finding of maladministration, I would always expect the Monitoring Officer to report this to members under section five of the Act. This is an exceptional and unusual course of action for any authority to take and should be considered at the highest tier of the authority.

The duties set out above in relation to the Local Government and Housing Act 1989 are in addition to, not instead of, the pre-existing duties placed on all authorities in relation to Ombudsman reports under The Local Government Act 1974. Under those provisions, whenever my office issues a formal, public report to your authority you are obliged to lay that report before the council for consideration and respond within three months setting out the action that you have taken, or propose to take, in response to the report.

I know that most local authorities are familiar with these arrangements, but I happy to discuss this further with you or your Monitoring Officer if there is any doubt about how to discharge these duties in future.

### **Manual for Councils**

We greatly value our relationships with council Complaints Officers, our single contact points at each authority. To support them in their roles, we have published a Manual for Councils, setting out in detail what we do and how we investigate the complaints we receive. When we surveyed Complaints Officers, we were pleased to hear that 73% reported they have found the manual useful.

The manual is a practical resource and reference point for all council staff, not just those working directly with us, and I encourage you to share it widely within your organisation. The manual can be found on our website [www.lgo.org.uk/link-officers](http://www.lgo.org.uk/link-officers)

### **Complaint handling training**

Our training programme is one of the ways we use the outcomes of complaints to promote wider service improvements and learning. We delivered an ambitious programme of 75 courses during the year, training over 800 council staff and more 400 care provider staff. Post-course surveys showed a 92% increase in delegates' confidence in dealing with complaints. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training)

Yours sincerely



Michael King  
Local Government and Social Care Ombudsman for England  
Chair, Commission for Local Administration in England

**Local Authority Report:** Westminster City Council  
**For the Period Ending:** 31/03/2017

For further information on how to interpret our statistics, please visit our website:  
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
10	51	3	8	16	13	16	4	1	122

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## Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
7	5	39	31	19	21	53%	122

### Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.  
 The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

### Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement
18	1



City of Westminster

## Audit and Performance Committee Report

<b>Meeting or Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	23 <sup>rd</sup> November 2017
<b>Classification:</b>	General Release
<b>Title:</b>	Period 6 Finance and Quarter 2 Performance Report
<b>Key Decision:</b>	Review and challenge officers on the contents of the report
<b>Report of:</b>	Steven Mair, City Treasurer Julia Corkey, Director of Policy, Performance and Communications

### 1. Executive Summary

Period 6 Finance Report - This report presents detailed results for the period April 2017 to September 2017 against the 2017/18 approved budget. The report provides explanations and commentary in respect forecast variances to budget.

Quarter 2 Performance Report - This report presents the latest performance outturns available at the end of the second quarter of 2017/18 (September 2017). It provides commentary in respect of outstanding and poor performance, including details of remedial actions being taken, where appropriate.

### 2. Recommendations

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

### 2. Reasons for Decision

To inform Members of how the City Council is delivering on its key objectives, hold Officers to account and steer improvement activity where necessary.

### 3. Background, including Policy Context

This report sets out how the City Council is delivering on the City for All vision and the management of the Council's financial affairs.

## Period 6 Finance Report

### 1. Key Messages

At period 6, services area revenue budgets are projected to underspend by £2.982m by year-end. All variances will be subject to active management through the financial year and it is anticipated that this adverse variance will be mitigated by year end.

The capital programme is projecting an under-spend of £22.294m at period 6. The underspend includes a £5.000m reduction in the need for the project contingency budget. Experience from prior years suggests that budget re-profiling may be needed as the financial year progresses while new project management arrangements are embedded.

The Housing Revenue Account (HRA) for this month is forecasting an adverse variance forecast of £1.820m.

At Period 6 the HRA capital programme is projecting an underspend of £43.888m against a budget of £141.833m. This includes underspends for the Major Works programme of £6.496m, the Housing Regeneration projects of £32.351m and Other Projects of £5.041m.

### 2. Revenue – Forecast Outturn

At period 6, Cabinet portfolios are projecting an overspend of £2.982m with additional net opportunities of £1.332m.

#### Period 6 Forecast Outturn by Cabinet Portfolio

Cabinet Portfolio	Full Year Budget (£m)	Full Year Forecast (£m)	Full Year Variance to Date (£m)	Risks Identified (£m)	Opps Identified (£m)	Projected Variance inc Opps and Risks (£m)
Leader of the Council	6.303	5.513	(0.790)	-	-	(0.790)
Deputy Leader and Business, Culture and Heritage	(4.770)	(4.800)	(0.030)	0.241	-	0.211
Finance, Property and Corporate Services	56.123	55.791	(0.332)	1.632	(0.733)	0.567
Adult Social Services and Public Health	56.474	56.474	-	-	(0.562)	(0.562)
City Highways	(55.235)	(56.158)	(0.923)	1.000	(2.000)	(1.923)
Children, Families and Young People	30.785	30.883	0.098	-	-	0.098
Planning and Public Realm	1.676	1.676	-	-	(0.230)	0.230
Environment, Sports and Community	48.406	48.202	(0.204)	-	(0.505)	(0.709)
Public Protection and Licensing	10.854	10.054	(0.800)	-	(0.175)	(0.975)
Housing	23.233	23.233	-	0.000	0.000	0.000
<b>NET CONTROLLABLE BUDGET</b>	<b>173.849</b>	<b>170.868</b>	<b>(2.982)</b>	<b>2.873</b>	<b>(4.205)</b>	<b>(4.314)</b>

Council Tax*	49.609	49.609	-
Business Rates - Net of Tariff*	78.080	78.080	-
Revenue Support Grant	46.160	46.160	-
<b>CORPORATE FINANCING</b>	<b>173.849</b>	<b>173.849</b>	<b>-</b>

<b>Net (Surplus) / Deficit</b>	<b>-</b>	<b>(2.982)</b>	<b>(2.982)</b>
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A summary of the key causes of the underlying variances and net opportunities are set out over the following pages:



## Leader of the Council

The Leader of the Council portfolio is forecasting a £0.790m underspend against budget. This forecast underspend is driven by vacancies within a number of services areas within this portfolio (Evaluation and Performance; Corporate Strategy & Transformation; Policy & Strategy; Campaigns & Customer Engagement; and PPC Directorate Development)

## Deputy Leader and Business, Culture and Heritage

At the end of period 6, the Deputy Leader and Business, Culture and Heritage portfolio is forecasting a £0.030m underspend against budget.

Reported risks of £0.241m have been identified due to potential higher rates bills on the Piccadilly Underpass advertising screens as well as delays in the CRM system implementation potentially impacting on external income earnings.

## Finance, Property and Corporate Services

At the end of period 6, the Finance, Property and Corporate Services portfolio is forecasting a £0.322m favourable variance against budget.

A £0.750m upside on estimated interest earnings; Information Services savings of £0.293m (largely on non-pay costs); and a £0.149m underspend due to greater recovery of Matrix costs within Corporate Services make up the bulk of overall forecast savings of £1.240m. Against these, a £0.970m net overspend is projected within the Property Investments and Estates Team (almost entirely accounted for by a shortfall in Major Projects monitoring fees) and a £0.231m one-off overspend within Legal Services as it moves to a new operating structure.

Further potential opportunities to increase interest earnings still further of £0.483m may arise but will be dependent on the state of the investment market going forward to the year end. Contract Management performance measures have the potential to deliver another £0.250m saving by year end, but these are offset by a risk of £1.340m risk relating to the Amey FM contract (£1.200m) and nurseries lease income (£0.140m) within Property Investment & Estates and a further £0.292m risk with regard to recharges to schools for MSP services. Collectively, these risks and opportunities represent a net risk of £0.899m.

## Adult Social Services and Public Health

At the end of period 6, Adult Social Services and Public Health is forecasting a nil variance against budget.

Net potential opportunities have been identified totalling £0.562m within Care & Assessment as demographic pressures are running slightly behind forecast growth levels.

## City Highways

At the end of period 6, the City Highways portfolio is forecasting a £0.923m favourable variance against budget.

The variance is due to a combination of vacancies and contract efficiencies within the Highways Infrastructure and Public Realm service.

There is a risk of £1.000m relating to Parking revenue, which is currently trending below budget, particularly relating to paid for parking. If this risk materialises, it may be offset by opportunities totalling £2.000m due to strong performance of parking suspensions income (£1.500m) and £0.500m around NSL contract efficiencies.

### Children, Families and Young People

At the end of period 6, the forecast outturn for the Children, Families and Young People portfolio is an adverse variance of £0.098m.

Within Family Services there are pressures of £0.459m on budgets for mother and baby court directed assessments and families requiring assistance. These are offset by other favourable variances of £0.361m, principally relating to shared staffing costs.

No risks been quantified for period 6 but additional costs may fall to the department due to the change in staffing arrangements from supporting Tri-Borough to Bi-Borough. Work continues to cost out the proposed structures and quantify this risk.

### Planning and Public Realm

At the end of period 6, the Planning and Public Realm portfolio is forecasting a nil variance against budget.

A potential opportunity to underspend by £0.230m has been identified within Development Planning (a net saving on staffing costs partially offset by lower income potential).

### Environment, Sports and Community

At the end of period 6, the Environment, Sports and Community portfolio is forecasting a £0.204m favourable variance against budget.

Delays in the start of birth registrations at Portland Hospital and not being fully operational at Marylebone from the start of the year have created a projected overspend within Libraries and Registrars of £0.195m. Offsetting this adverse variance are forecast savings within Community Services of £0.130m Service & Improvement Transformation Team) and £0.269m due to lower than anticipated inflation pressures within Waste and Parks.

Opportunities of £0.505m are also being explored - £0.400m of which relates to potential lower than forecast waste volumes.

### Public Protection and Licensing

At the end of period 6, the Public Protection and Licensing portfolio is forecasting a £0.800m favourable variance against budget. This arises from vacancies (£0.382m); reduced supplies and services spend (£0.218m); and increased fixed penalty notice income for waste enforcement (£0.200m).

The potential to recover a greater share of the mortuary costs from partner bodies offers an opportunity of £0.175m

## Housing

At the end of period 6, the Housing portfolio is forecasting a nil variance against General Fund budget.

No risks or opportunities are reported at this stage in the year.

### 3. Capital – Forecast Outturn

The gross expenditure budget for period 6 is £379.228m, offset by £213.939m of external funding and capital receipts. At the end of period 6 the forecast gross outturn is £352.699m, a £26.529m favourable variance against budget. The main drivers of the projected gross spend variance are within Finance, Property and Corporate Services with £21.898m being forecast to be spent in future years (£10.475m Dudley House; £11.173m Leisure Review) whilst £5.000m of capital contingency has been removed.

External funding projections fall by £4.235m as spend forecasts across all areas are re-profiled into the future year.

The overall re-profiling set out in the above has the impact of deferring the requirement to fund the capital programme from internal borrowing by £22.294m – albeit that this will be thereafter additionally required in the following year.

A summary of the above is set out in the table below:

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance (%age)
<b>Summary</b>								
Deputy Leader , Business, Culture & Heritage	19,720	(11,935)	19,420	(11,635)	(300)	300	0	0%
Finance, Property & Corporate Services and Chi	214,778	(31,185)	188,886	(32,229)	(25,892)	(1,044)	(26,936)	-15%
Adult Social Services & Public Health	8,057	(2,770)	4,570	(2,770)	(3,487)	0	(3,487)	-66%
City Highways	29,577	(12,449)	26,378	(10,105)	(3,199)	2,344	(855)	-5%
Children, Families and Young People	11,356	(10,550)	11,441	(10,635)	85	(85)	(0)	0%
Planning & Public Realm	18,451	(17,576)	16,322	(15,797)	(2,129)	1,778	(350)	-40%
Environment, Sports & Community	15,836	(1,550)	15,142	(1,550)	(694)	0	(694)	-5%
Public Protection & Licensing	3,518	(1,297)	3,318	(1,297)	(200)	-	(200)	-9%
Housing	57,935	(44,877)	67,220	(43,935)	9,285	942	10,228	78%
<b>Service Area Total</b>	<b>379,228</b>	<b>(134,189)</b>	<b>352,699</b>	<b>(129,952)</b>	<b>(26,529)</b>	<b>4,235</b>	<b>(22,294)</b>	<b>-9%</b>
Capital Receipts & Contingencies	-	(79,750)	-	(79,750)	-	-	-	0%
<b>Total</b>	<b>379,228</b>	<b>(213,939)</b>	<b>352,699</b>	<b>(209,702)</b>	<b>(26,529)</b>	<b>4,235</b>	<b>(22,294)</b>	<b>-13%</b>
Funded by Borrowing		(165,288)		(142,995)		22,294	22,294	-13%
		<b>(379,228)</b>		<b>(352,699)</b>		<b>26,529</b>	<b>-</b>	

## Deputy Leader - Business, Culture and Heritage

A re-profiling of the Queensway streetscape scheme into next year results in a projected variance to both gross spend and external funding of £0.300m within this portfolio.

## Finance, Property and Corporate Services

As detailed in the summary to this section, re-profiling of two significant schemes (Dudley House and Leisure Review) together with a £5.000m reduction in the forecast need for contingency produce a forecast net variance within this portfolio of £26.936m.

## Adult Social Services and Public Health

The re-profiling of £3.487m of the overall £6.887m spend budget for Beachcroft House produces the only forecast variance within this portfolio as at period 6.

## City Highways

A net variance of £0.855m underspend (£3.199m spend and £2.344 external funding) is forecast for this portfolio to the year-end due to the re-profiling of a number of capital schemes. Cycle schemes have £2.295m of spend and funding re-profiled, whilst Waterloo Golden Bridge and the Elevated Harrow Road Bridge scheme both have spend re-profiled of £0.655m and £0.200m respectively.

## Children's Services

Against a gross expenditure budget of £11.356m, this portfolio now forecasts to spend £11.441m – the variance being largely the result of an overspend on King Solomon Expansion (£0.364m and Hallfield Heating (£0.230m) offset by an underspend on Minor Works schemes (£0.509m). The net overspend is matched by adjustments to the use of external funding sources.

## Planning and Public Realm

Against a gross expenditure budget of £18.451m, the Planning and Public Realm portfolio is currently projecting an underspend of £2.129m mainly due to the reprofiling of the Newport Place (£1.050m) and Ceremonial Streetscape £0.492m schemes

## Environment, Sport and Community

The Environment, Sport and Community portfolio is forecasting an underspend of £0.200m against a gross expenditure budget of £16.036m due to the Libraries Minor Works Programme (£0.394m) and Synthetic Pitch Replacement programme (£0.300m).

This £0.200m underspend has arisen from re-profiling of Leisure Facilities Capital Investment (total gross expenditure budget of £1.416m) into next year. Equivalent external funding has also been re-profiled to leave a net nil variance in this portfolio.

## Public Protection and Licensing

The Public Protection and Licensing portfolio is forecasting a net £0.200m underspend on its budget – an underspend on the Disabled Facilities Grant budget being the cause.

## Housing

The Housing portfolio is projecting a £9.285m adverse variance against a gross budget of £57.935m. This relates to temporary accommodation budgets being re-profiled (£2.700m) or overspending (£7.500m); a £7.925m overspend in TA purchases; and an offsetting £8.867m re-profiling of Affordable Housing Fund spend

The forecast variances in AHF and TA budgets are matched by corresponding changes in external funding sources. Collectively these forecasts see a net £10.228m forecast variance for this portfolio.

### 4. General Funding Capital Programme by Priority

#### Development

Reprofiling of three significant schemes (Dudley House, Leisure Review and Beachcroft) plus some other small variances produces a forecast net favourable variance within development group of £25.635m

#### Investment

The only scheme categorised in this group is the Property Investment Scheme, which is forecast to have zero net variance in this financial year.

#### Operational

The adverse variance is in relation to re-profiling of Temporary Accommodation Acquisition (£7.925m) and Private Sector Housing Discharge Initiatives (£10.200m) together with an offsetting re-profiling of Affordable Housing Fund (£8.867m) a reduction of £5.000m in the need for contingency and a reduction of £2.295m in respect of the Cycle Grid scheme.

The forecast variance in AHF, TA and Cycle Grid budgets are matched by corresponding changes in funding sources.

Collectively, these schemes contribute a net adverse variance of £3.341m.

A summary of the above is set out in the table below:

	Full Year Budget		Full Year Forecast		Full Year Variance		Variance
	Spend (£,000's)	Income (£,000's)	Spend (£,000's)	Income (£,000's)	Spend (£,000's)	Income (£,000's)	Net (£,000's)
Development	159,422	-51,413	133,338	-50,965	-26,083	448	-25,635
Investment	37,613	0	37,613		0	0	0
Operational	182,193	-82,776	181,746	-78,989	-446	3,787	3,341
<b>Grand Total</b>	<b>379,227</b>	<b>-134,189</b>	<b>352,697</b>	<b>-129,953</b>	<b>-26,530</b>	<b>4,235</b>	<b>-22,294</b>

## 5. HRA

### REVENUE EXPENDITURE – 2017/18 Budgets and Projected Expenditure

The HRA revenue position is forecasting an adverse variance of £1.820m at period 6 from shortfalls in service charge income from leaseholders, offset by £0.338m increased income from Council Dwelling tenants. This is a nil movement since period 5.

This outturn projection does not include depreciation of assets of £3.136m which is not used for revenue purposes.

There is an additional risk of £2.230m from a further shortfall in lessees' contributions towards major works. This risk will transpire if capital schemes are not completed in 2017/18

### CAPITAL EXPENDITURE – 2017/18 Budgets and Projected Expenditure

At Period 6 the forecast outturn is £97.945m resulting in a total variance of £43.888m compared to the budget of £141.833m. This includes underspends for the Major Works programme of £6.496m, the Housing Regeneration projects of £32.351m and Other Projects of £5.041m.

The reasons for the under spends are:

- Major Works: External works have been delayed because the new term contractor is still mobilising to deliver the work. This follows significant slippage due to the length of time taken to procure major works projects.
- Regeneration: schemes have been re-profiled owing to a number of issues including additional stakeholder consultation, changes to original building designs/specifications and planning processes on Church Street (£6.409m), Lisson Arches (£3.407m), Luton Street (£4.908m), Cosway (£9.144m), Parsons North (£5.812m), Ashbridge (£2.889m). In addition, the expenditure on the District Heating scheme is forecast to be less than the budget (£3.145m). The forecast spend on Edgware Scheme will be £1.933m more than the approved budget
- Other Projects: the Contingency is not expected be required (£4.086m) and some of the Infills programme is forecast to slip to 2018/19 (£1.807m). The forecast spend on Self Financing is £1.572m more than the budget. The forecast has increased because the Council has recently been more successful at identifying properties that meet the self- financing criteria.

Capital Forecast Period 6

<b>Description</b>	<b>Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>
Major Works	45,750	39,254	(6,496)
Housing Regeneration	68,258	35,907	(32,351)
Other Projects	27,826	22,784	(5,041)
<b>Total Capital Expenditure</b>	<b>141,833</b>	<b>97,945</b>	<b>(43,888)</b>

<b>Description</b>	<b>Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>
Financed By:			
Major Repairs Reserve (MRR)	23,308	20,932	(2,376)
New Borrowing	12,835	-	(12,835)
Capital Grant - AHF	19,359	10,258	(9,101)
Capital Receipts - Other	11,487	14,000	2,513
Government Grant/Home Bonus	-	3,785	3,785
Capital Receipts RTB/Non RTB	21,187	4,654	(16,533)
Capital Receipts - RTB Local Agreement	17,476	10,586	(6,890)
HRA Reserves	36,181	33,730	(2,451)
<b>Total Financing</b>	<b>141,833</b>	<b>97,945</b>	<b>(43,888)</b>



## Appendix 1: General Funding Capital Programme by Portfolio

<b>Deputy Leader - Business, Culture and Heritage</b>	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
ENTERPRISE	1,100	-	1,100	-	-	-	-	
WEP - THE STRAND-ALDWYCH	200	-	990	-	790	-	790	Budget Virement
OXFORD STREET EAST (WEP)	597	-	597	-	-	-	-	
OXFORD STREET WEST (WEP)	2,046	(400)	2,046	(400)	-	-	-	
WEST END PARTNERSHIP GENERAL FUNDING	1,297	-	507	-	(790)	-	(790)	Budget Virement
AIR QUALITY	150	-	150	-	-	-	-	
BROADBAND	1,054	(491)	1,054	(491)	-	-	-	
BAKER STREET TWO WAY	5,954	(5,957)	5,954	(5,957)	-	-	-	
BOND STREET	5,422	(3,787)	5,422	(3,787)	-	-	-	
HANOVER SQUARE PUBLIC REALM	1,000	(1,000)	1,000	(1,000)	-	-	-	
QUEENSWAY STREETScape IMPROVEMENTS	900	(300)	600	-	(300)	300	-	Re-Profiled
	<b>19,720</b>	<b>(11,935)</b>	<b>19,420</b>	<b>(11,635)</b>	<b>(300)</b>	<b>300</b>		
<b>Finance, Property and Corporate Services</b>	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
DUDLEY HOUSE	42,300	(15,846)	31,825	(15,846)	(10,475)	-	(10,475)	Re-Profiled
LUXBOROUGH DEVELOPMENT	500	-	500	-	-	-	-	
CITY HALL - MAJOR REFURBISHMENT	35,493	-	35,493	-	-	-	-	
LANDLORD RESPONSIBILITIES	1,367	-	1,367	-	-	-	-	
CAPITALISED SALARY COSTS	504	-	504	-	-	-	-	
CORONERS COURT IMPROVEMENTS	2,403	-	2,403	-	-	-	-	
ENERGY MONITOR & TARGET	600	-	600	-	-	-	-	
LISSON GROVE IMPROVEMENT - INFRASTRUCTURE	1,281	-	1,281	-	-	-	-	
SIR SIMON MILTON UNIVERSITY TECHNICAL COLLEGE	2,977	(15,339)	4,021	(16,383)	1,044	(1,044)	-	Overspend
MANDELA WAY UPGRADE	398	-	398	-	-	-	-	
COUNCIL HOUSE - LEASE FACILITATION WORKS	1,656	-	1,656	-	-	-	-	
HUGUENOT HOUSE REDEVELOPMENT	400	-	400	-	-	-	-	
FORWARD MANAGEMENT PLAN	1,314	-	1,214	-	(100)	-	(100)	Re-Profiled
LANDLORD RESPONSIBILITY- REGENCY CAFE	140	-	140	-	-	-	-	
LANDLORD RESPONSIBILITY - MAYFAIR LIBRARY	950	-	950	-	-	-	-	
COSWAY STREET	500	-	500	-	-	-	-	
CIRCUS ROAD	300	-	150	-	(150)	-	(150)	Re-Profiled
FARM STREET	199	-	199	-	-	-	-	
PROPERTY INVESTMENT SCHEMES	37,613	-	37,613	-	-	-	-	
SEYMOUR LEISURE CENTRE REDEVELOPMENT	500	-	500	-	-	-	-	
COUNCIL HOUSE - FIT OUT FOR REGISTRARS	696	-	696	-	-	-	-	
33 TACHBROOK STREET	927	-	927	-	-	-	-	
STRATEGIC ACQUISITIONS - HUGUENOT HOUSE	8,948	-	8,948	-	-	-	-	
STRATEGIC ACQUISITIONS LEISURE REVIEW	27,173	-	16,000	-	(11,173)	-	(11,173)	Re-Profiled
LISSON GROVE PROGRAMME	775	-	775	-	-	-	-	
DATA CENTRE REFRESH	90	-	90	-	-	-	-	
CORPORATE SOFTWARE LICENCES	20	-	20	-	-	-	-	
PARKING & INTEGRATED STREET MANAGEMENT IT	77	-	77	-	-	-	-	
DATA NETWORK REFRESH	353	-	353	-	-	-	-	
END-USER COMPUTING REFRESH	616	-	616	-	-	-	-	
DIGITAL TRANSFORMATION	1,170	-	1,170	-	-	-	-	
BI / TRI BOROUGH CAPITAL	38	-	-	-	(38)	-	(38)	U/Spend
CAPITAL CONTINGENCY	13,500	-	8,500	-	(5,000)	-	(5,000)	U/Spend
CITY HALL REVENUE COSTS	9,000	-	9,000	-	-	-	-	
CAPITALISATION OF PENSION CONTRIBUTION	20,000	-	20,000	-	-	-	-	
	<b>214,778</b>	<b>(31,185)</b>	<b>188,886</b>	<b>(32,229)</b>	<b>(25,892)</b>	<b>(1,044)</b>	<b>(26,936)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Adult Social Services and Public Health</b>								
BARNEY & FLOREY	182	(182)	182	(182)	-	-	-	
FRAMEWORKI- UPGRADE TO MOSAIC	288	(288)	288	(288)	-	-	-	
PEOPLE FIRST WEBSITE	100	(100)	100	(100)	-	-	-	
HEALTH INTEGRATION	100	(100)	100	(100)	-	-	-	
MOBILE WORKING	100	(100)	100	(100)	-	-	-	
BEACHCROFT	6,887	(2,000)	3,400	(2,000)	(3,487)	-	(3,487)	Re-Profiled
CARLTON DENE	200	-	200	-	-	-	-	
WESTMEAD	200	-	200	-	-	-	-	
	<b>8,057</b>	<b>(2,770)</b>	<b>4,570</b>	<b>(2,770)</b>	<b>(3,487)</b>	-	<b>(3,487)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>City Highways</b>								
CAMBRIDGE CIRCUS IMPROVEMENTS	1,268	(542)	1,268	(542)	-	-	-	
TFL SPONSORED CYCLING INITIATIVES	8,117	(8,117)	5,822	(5,822)	(2,295)	2,295	-	U/Spend
TRIAL 20MPH SCHEME	3,789	(2,579)	3,789	(2,579)	-	-	-	
PICCADILLY UNDERPASS	100	-	100	-	-	-	-	
LED LIGHTING ROLLOUT	12,809	(292)	12,809	(292)	-	-	-	
VICTORIA EMBANKMENT STURGEONS	620	-	620	-	-	-	-	
WATERLOO BRIDGE	1,555	-	900	-	(655)	-	(655)	Re-Profiled
ELEVATED HARROW ROAD BRIDGE CATHODIC PROTECTION	400	-	200	-	(200)	-	(200)	Re-Profiled
NHB PLACES OF WORK	150	(150)	150	(150)	-	-	-	
PRINCIPAL ROADS	770	(770)	721	(721)	(49)	49	-	U/Spend
	<b>29,577</b>	<b>(12,449)</b>	<b>26,378</b>	<b>(10,105)</b>	<b>(3,199)</b>	<b>2,344</b>	<b>(855)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Children, Families and Young People</b>								
MINOR WORKS TO ALL SCHOOLS	509	(509)	-	-	(509)	509	-	U/Spend
ROBINSFIELD NEW RECEPTION	108	(108)	108	(108)	-	-	-	
HALLFIELD HEATING & DISTRIBUTION	642	(642)	642	(642)	-	-	-	
HALLFIELD HEATING & DISTRIB	-	-	230	(230)	230	(230)	-	Overspend
BEACHCROFT EXPANSION	129	(129)	129	(129)	-	-	-	
UNIVERSAL FREE INFANT SCHOOL MEALS	20	(20)	20	(20)	-	-	-	
ST GEORGE'S SCHOOL EXPANSION	4,159	(4,159)	4,159	(4,159)	-	-	-	
KING SOLOMON SCHOOL EXPANSION	-	-	364	(364)	364	(364)	-	Overspend
WESTMINSTER CITY	4,586	(4,586)	4,586	(4,586)	-	-	-	
PORTMAN - BOILER AND DISTRIBUTION	104	(104)	104	(104)	-	-	-	
REMODELLING OF EARLY HELP/CHILDREN'S SERVICES	806	-	806	-	-	-	-	
QUEEN'S PARK SAFEGUARDING WORKS	20	(20)	20	(20)	-	-	-	
QUEENS PARK SCHOOL - BOILER REPLACEMENT	131	(131)	131	(131)	-	-	-	
SCHOOLS MINOR WORKS PROJECTS	142	(142)	142	(142)	-	-	-	
	<b>11,356</b>	<b>(10,550)</b>	<b>11,441</b>	<b>(10,635)</b>	<b>85</b>	<b>(85)</b>	-	

	Spend Budget	Income Budget	Spend Forecast	Income Forecast	Spend Variance	Income Variance	Net Variance	Variance Cause
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
<b>Planning and Public Realm</b>								
ABELL AND CLELAND PUBLIC REALM	500	(500)	500	(500)	-	-	-	
BERKELEY SQUARE NORTH SIDE PUBLIC REALM SCHEME	500	(500)	500	(500)	-	-	-	
CEREMONIAL STREETScape	2,500	(2,500)	2,500	(2,500)	-	-	-	
CLEVELAND ROW	550	(550)	58	(58)	(492)	492	-	Re-Profiled
DUKE STREET - SELFRIDGES	754	(754)	754	(754)	-	-	-	
EAST MAYFAIR PUBLIC REALM SCHEME	421	(421)	421	(421)	-	-	-	
JERMYN STREET	3,500	(3,500)	3,500	(3,500)	-	-	-	
MARYLEBONE LANE PHASE 2	1,100	(1,100)	664	(664)	(270)	270	-	U/Spend
					(166)	166	-	Re-Profiled
PADDINGTON RECREATION GROUND	1,300	(1,300)	1,300	(1,300)	-	-	-	
NEWPORT PLACE	2,350	(2,000)	1,300	(1,300)	(1,050)	700	(350)	Re-Profiled
MOTCOMB STREET PUBLIC REALM IMPROVEMENTS	922	(922)	922	(922)	-	-	-	
PUBLIC REALM IMPROVEMENT SCHEMES	3,434	(3,079)	3,434	(3,079)	-	-	-	
ST JAMES PALACE FORECOURT PUBLIC REALM	250	(250)	250	(250)	-	-	-	
STREET TREES - NEW PLANTING	170	-	170	-	-	-	-	
CATHEDRAL PIAZZA	200	(200)	50	(50)	(150)	150	-	U/Spend
	<b>18,451</b>	<b>(17,576)</b>	<b>16,322</b>	<b>(15,797)</b>	<b>(2,129)</b>	<b>1,778</b>	<b>(350)</b>	

	Spend Budget	Income Budget	Spend Forecast	Income Forecast	Spend Variance	Income Variance	Net Variance	Variance Cause
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
<b>Environment, Sports and Community</b>								
MOBERLY SPORTS CENTRE REDEVELOPMENT	12,107	(1,400)	12,107	(1,400)	-	-	-	
OPEN SPACES STRATEGY	37	-	37	-	-	-	-	
ST MARYS CHURCHYARD BOUNDARY WALL	85	-	85	-	-	-	-	
ST JOHNS GARDEN HORSEFERRY ROAD WALL	107	-	107	-	-	-	-	
EAST FINCHLEY WALL	5	-	5	-	-	-	-	
CEMETERIES INFRASTRUCTURE	62	-	62	-	-	-	-	
PLAYGROUNDS MINOR WORKS	81	-	81	-	-	-	-	
PARKS AND OPEN SPACES INFRASTRUCTURE	48	-	48	-	-	-	-	
RECYCLING CONTAINERS AND SACKS	140	-	140	-	-	-	-	
SELCHP PLANT IMPROVEMENTS	132	-	132	-	-	-	-	
WESTMINSTER REF LIBRARY REFURBISHMENT	340	-	340	-	-	-	-	
LIBRAIRES SIX YEAR DECORATION PROGRAMME	799	-	405	-	(394)	-	(394)	Re-Profiled
SPORTS & LEISURE - CONDITION SURVEY & MAINTENANCE	544	(100)	544	(100)	-	-	-	
TILING ALL SITES IMPROVE CHANGING ROOMS	20	-	20	-	-	-	-	
CCTV UPGRADES LEISURE CENTRES	12	-	12	-	-	-	-	
PRG - BLUEBELL GLADE WORKS	98	-	98	-	-	-	-	
SAYERS CROFT REFURBISHMENTS	80	-	80	-	-	-	-	
PRG - REPLACEMENT OF CHILDREN'S PLAYGROUND	150	-	150	-	-	-	-	
WESTBOURNE GREEN SKATE PARK MULTI	92	-	92	-	-	-	-	
WILBERFORCE MULTI USE GAMES AREAS	88	(50)	88	(50)	-	-	-	
WESTBOURNE GREEN OUTDOOR GYM	80	-	80	-	-	-	-	
PRG - CAFÉ AND CRICKET	39	-	39	-	-	-	-	
PRG - SYNTHETIC PITCH REPLACEMENT	300	-	-	-	(300)	-	(300)	Re-Profiled
COMMERCIAL WASTE CONTAINERS	40	-	40	-	-	-	-	
CHANGING ROOM REFURBISHMENT PROGRAMME	150	-	150	-	-	-	-	
OPEN SPACES AND GREENER PLACES	200	-	200	-	-	-	-	
	<b>15,836</b>	<b>(1,550)</b>	<b>15,142</b>	<b>(1,550)</b>	<b>(694)</b>	-	<b>(694)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Public Protection and Licensing</b>								
CCTV - CRIME & DISORDER ESTATE	1,704	-	1,704	-	-	-	-	
SAFE AND SECURE (PRIVATE) SS	200	-	200	-	-	-	-	
DISABLED FACILITIES GRANT	1,614	(1,297)	1,414	(1,297)	(200)	-	(200)	U/Spend
	<b>3,518</b>	<b>(1,297)</b>	<b>3,318</b>	<b>(1,297)</b>	<b>(200)</b>	-	<b>(200)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Housing</b>								
AHF BUDGET	28,292	(28,292)	19,425	(19,425)	(8,867)	8,867	-	Re-Profiled
TEMPORARY ACCOMMODATION ACQUISITIONS	2,258	-	2,286	-	28	-	28	Re-Profiled
TA PURCHASE IBB	16,585	(16,585)	24,510	(24,510)	7,925	(7,925)		Overspend
PRIVATE HOUSING DISCHARGE INITIATIVE -1	10,800	-	13,500	-	2,700	-	2,700	Re-Profiled
PRIVATE SECTOR HOUSING DISCHARGE - 2	-	-	7,500	-	7,500	-	7,500	Overspend
	<b>57,935</b>	<b>(44,877)</b>	<b>67,220</b>	<b>(43,935)</b>	<b>9,285</b>	<b>942</b>	<b>10,228</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Capital Receipts &amp; Contingencies</b>								
CAPITAL RECEIPTS	-	(79,750)	-	(79,750)	-	-	-	
	-	<b>(79,750)</b>	-	<b>(79,750)</b>	-	-	-	

Capital contingencies fall under the Finance, Property and Corporate Services portfolio and capital receipts are included in the above table.

### 1. Introduction

This report presents the latest performance outturns available at the end of the second quarter of 2017/18 (September 2017). It provides commentary in respect of outstanding and poor performance, including details of remedial actions being taken, where appropriate.

#### **Development and improvement**

Following feedback from EMT and Audit and Performance Committee on the 2016/17 year end performance report, substantial work has since been undertaken with services to refine and improve the corporate performance management framework and reporting offer to EMT and members. This work is now complete and will inform all future performance reports.

The new quarterly performance report features:

- an improved layout and clearer presentation
- a narrative section evidencing progress against each of the council's six overarching objectives
- a comprehensive tracker of the City for All 2017/18 commitments, with defined measures and milestones to enable progress to be assessed and delivery assured
- a refreshed set of KPIs for each department, reviewed in collaboration between each departmental and the corporate team, with clarity over the rationale for both indicator selection and the level at which the target (or acceptable range) is set.

For the first time, CFA and KPI data presented in this report is also available via on-line performance dashboards. These are accessible to EMT, Cabinet Members and Directorate SMTs. Screenshots are provided in Appendix 1. The dashboards enable:

- Clear overviews of performance in and across Directorates
- Increased visibility and accessibility of latest and historic performance data
- Ability to establish cross-cutting thematic dashboards
- Enable management teams / officers to present performance dashboards on-line

The quarterly performance returns will also be used to support a new process of internal performance challenge by department and by portfolio, to be led by the Chief Executive and Leader.

#### **Featured insight**

- Recently published findings around smoking prevalence, page 8.
- 2017 City Survey results should be available in time for the Q3 report. These will be brought together with other available information, such as intelligence gathered through community engagement (including through the Open Forums), qualitative research and complaints data, to provide a more rounded insight into residents' views.

#### **Data quality issues at Q2**

KPI tables:

- Please note the timing and availability of some key performance indicator data – especially where there is third party involvement or the reporting period of the KPI

does not cover the financial year cycle. However, the figures reported are the latest available.

- There are a small number of new KPIs in the refreshed set which will be being worked up and should be available in time for the Q3 report.

Organisational health scorecard – workforce data (page 2)

- Please note data quality issues around the accuracy of sickness and staff turnover data reported. People Service's is working with the Evaluation and Performance team to improve accuracy and accessibility of people services data.

## 2. This quarter's headlines

This section provides a high-level summary of the Council (and city's) overall direction of travel at the end of the second quarter of 2017/18 (September 2017).

### 2.1 Organisational health scorecard

The scorecard (taken from the online performance dashboard) provides a diagnostic summary of some key measures of organisational efficiency and effectiveness. The data provided below is for Q2, unless indicated.

<b>WORKFORCE</b>	<ul style="list-style-type: none"><li>• <b>Employees:</b> At the end of Q2 there were a total of 1,838 employees.</li><li>• <b>Contractors:</b> 200 (target is 150) temporary agency staff in use at the end of Q2.</li><li>• <b>Retention:</b> Staff turnover for Q1 and Q2 has been 3.5% and 3.7%. This trend continued through rest of the year would give an outturn of around 14% - 15% annual staff turnover.</li><li>• <b>Sickness:</b> Average working days of sick per full time equivalent is 2.9 days (based on a rolling 12 month total)</li><li>• <b>Perception:</b> Outcomes from the 2017 Staff survey will be available for the Q3 report.</li></ul>
<b>FINANCE</b>	<ul style="list-style-type: none"><li>• <b>Spend:</b> At period 6 (September), services area revenue budgets are projected to underspend by £2.982m by year-end.</li><li>• <b>Capital programme:</b> At the end of period 6, the forecast outturn for general fund capital programme is a positive variance of £22.294m which represents 13% of the budget.</li><li>• <b>Debt:</b> Total sundry debt reduced by £2.010m to £19.975m, a reduction of 9.1% since August 2017.</li><li>• <b>Stability:</b> It is reported that 93.8% of invoices received are paid within 30 days.</li></ul>

<b>DELIVERY</b>	<ul style="list-style-type: none"> <li>• <b>Service Performance:</b> 94 % (76) of active KPIs (discounting those with no data) are meeting the target for service delivery and 6% (5) are off track of target</li> <li>• <b>City for All:</b> Of the 25 CFA pledges, 23 pledges (2 sub-pledges off track) are on track to be achieved and 2 are off track</li> <li>• <b>Transformation:</b> Out of the five major Council programmes in delivery phase, three are rated Green (Differential Services, Effective Neighbourhood Working and Tredit) and two are rated Amber (Digital and City Hall). The Hubs and One Front Door programmes are too early in development to apply a RAG rating.</li> </ul>
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<b>CUSTOMER</b>	<ul style="list-style-type: none"> <li>• <b>Perception:</b> Outcomes from the 2017 City Survey will be available for the Q3 report.</li> <li>• <b>Contact: 90.8%</b> (target, 95.6%) of total customer calls were answered in 60 seconds by the council</li> <li>• <b>Contact: 84.1%</b> (target, 84.6% ) of total customer calls answered in 20 seconds by the Council</li> </ul>
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## 2.2 Overarching council objectives

The information presented below is by exception and includes highlights taken from the directorate sections (page 6 onwards) against each of the 6 overarching objectives of the council.

### 1. Westminster recognised as a leading local authority, influential in London and nationally

- ✓ Following the launch of the #Dontbeldle campaign on 26th June, multiple events have been rolled out to encourage drivers to switch off their engines when stationary. Also, widespread media coverage (Including BBC Radio 4 and Good Morning Britain) has helped promote the cause with an average of over 500 pledges being made every week.
- ✓ Stop Smoking service recognised as best in England. Among Local Authorities, Westminster had the highest number of quit attempts (11,248) and the highest number of quitters (5,529) per 100,000 smokers.
- ✓ The council has won the 'Council of the Year' top prize at the London in Bloom 2017 awards which celebrates the efforts of London's Boroughs, Communities, Businesses and individuals who make London a special place to live, work and visit.
- ✓ Development Planning has successfully digitalised its planning function and recently became the first local planning authority in the UK to send weekly updates to applicants regarding the status of their applications.

### 2. Low council tax, providing a fair deal for those just about managing and the vulnerable

- ✓ 545 vulnerable residents in Westminster have been supported by the Public Protection and Licensing team to continue living independently in their homes.
- ✓ Over 93% (1,499) of adults received a personal budget to meet their support needs.



- ✓ The library service has committed to training 25 Librarians to take proactive action to support the most vulnerable people in the City. City Inspectors and Health Workers training sessions are currently in planning and will be delivered by March 2018.
- ✓ The rough sleeping count in September found 194 individuals sleeping rough; an 8% decrease from the last count in June.
- ✗ Reducing customer satisfaction with Adult Social Care services particularly to existing customers that experience change to the services they receive. The biggest risk is associated with the transition from Tri-borough to Bi-borough and re-designed and re-commissioned services.
- ✗ At the end of the quarter, 189 hazards were removed from residential dwellings which pose a serious and immediate threat to people's health or safety. This is currently below the anticipated rate of removals for the period and is at risk of failing to meet the end of year target.

### **3. An open working relationship with local residents, businesses and stakeholders**

- ✓ In September, the Rough Sleeping team launched the new 2017-2022 Strategy. Over 400 responses to our consultation of the strategy received from residents and businesses received; furthermore, all Business Improvement Districts responded in detail to how they envisaged supporting the work we do.
- ✓ Perfect Pathways service has been successfully redesigned, in conjunction with parent's groups and providers of Special Educational Needs & Disabilities (SEND) care.
- ✓ On October 18<sup>th</sup> Open Forum was held at Westminster Cathedral with over 80 residents attending. In the year to date, there have been 8,800 views on the Open Forum website.
- ✗ Reducing customer satisfaction with Adult Social Care services - biggest risk is associated with existing customers of re-designed and re-commissioned services.

### **4. Delivering the right kind of growth, providing more homes of all types and tenures, supporting local businesses, promoting responsible enterprise and creating more employment opportunities for our residents**

- ✓ A bid (worth over £400,000) has been won from DCLG under the Controlling Migration Fund to deliver better intelligence on the private rented sector and improved data on conditions
- ✓ The Sir Simon Milton University Technical College received its first cohort of 75 students on Wednesday 6<sup>th</sup> September 2017.
- ✓ Over 100 people came to talk the Westminster Employment team at the first annual #MyWestminster day.
- ✓ As part of our responsible procurement approach, we have achieved a commitment 32 apprenticeships from our suppliers.
- ✗ The Westminster Employment service is projected to miss its target of getting 500 unemployed residents into work – more detail on progress will be available in Q3.

- ✘ Risks around the availability of private sector housing in Westminster affordable to households on low incomes. At the end of the second quarter a total of 50 new build affordable homes have been delivered in Westminster since 31 March 2017.
- ✘ To date, 1,000 sq. ft of enterprise space created tracking behind the target of 40,000 sq. ft.

#### **5. Delivering the City for All One Front Door, providing a seamless service for our customers**

- ✓ The Adult Services Front Door and Demand Management Programme report recommendations, once approved, will meet savings targets in 2018/19 and 2019/2020
- ✘ The One Front Door programme may be affected by the General Data Protection Regulation (GDPR) bill, coming into effect on 25<sup>th</sup> May 2018

#### **6. Setting the standards for a global city, holding the police and other partners to account and providing local services for residents that are of a Westminster standard**

- ✓ As part of the greener city and Low Emissions Neighbourhood (LEN) initiatives a further 60 Electric Vehicle charging points were installed.
- ✓ 551 delayed transfers of care were reported, this is broadly in line with figures reported last year which were below the nation and London averages.
- ✓ The pilot for the Licensing Charter was launched on 30<sup>th</sup> October. This is the council's strategy to encourage good licensing practice across the City.
- ✘ It remains a challenge to ensure the 690 children or young people with a Statement SEN are transferred onto new Education, Health and Care plans and assessed by the 31<sup>st</sup> March 2018 national deadline.
- ✘ There has been a significant increase in moped enabled crimes across Westminster. A roundtable meeting, chaired by the Police and supported by the City Council, is being organised with key representatives being invited from the BIDs, business, housing and security sectors to discuss how to support the Police in tackling this issue.
- ✘ Timing and procurement challenges around upgrading waste vehicle fleet in time to achieve Ultra-Low Emission Zone (ULEZ) compliance by the earlier start date of April 2019 (previously April 2020).

### **2.3 Principal Risks**

This section covers the top external and internal risks of strategic importance to the Council. These are taken from the council's strategic risk register.

### **Brexit**

There is continued uncertainty about the final deal that will be negotiated by the UK government and the implications this will have for Westminster City Council. The most significant impacts are likely to be:

#### **Impacts**

- A potential slowdown of the economy which could lead to an increase in unemployment; central government funding to departments could be hit with impact on local government funding.
- An impact on the price and delivery of capital schemes if restrictions on migrant labour are imposed following the Brexit negotiation (this may be offset by lower interest rates on capital projects, if there is a downturn in the economy as noted above).
- Prolonged uncertainty around Brexit may lead to the delaying or withdrawing of investment decisions, impacting on new and affordable housing and Westminster's regeneration projects (a related opportunity is that falling capital values could lead to good value purchases).

#### **Controls**

The council is lobbying central government to ensure protection of labour supply is high priority in Brexit negotiations. Proactive financial planning will help to address the negative impacts of Brexit and take advantage of any opportunities, as will policies to boost local businesses and employment. The property market is being monitored to take advantage of any good value purchases.

### **Tri-borough exit (Trexit)**

Notice has been served on the S113 agreement between the three councils. A large scale and potentially intensive period of service reconfiguration will be required to deliver the disaggregation of the shared service arrangements that are currently in place. The most significant impacts for the Council will be:

#### **Impacts**

- Service level contracts are impacted as a result of moving to Bi-Borough arrangements.
- Impact on other transformation programmes running in Adult Social Care and Children's Services, leading to delayed delivery and increased risk of missing savings targets.
- Loss of staff due to uncertainty and/or staff losing focus as move to a Bi-Borough nears.

#### **Controls**

The 'Trexit' programme is co-ordinating activity and ensuring that the tri-borough exit is orderly and achieved by the April 2018 deadline. Impacts to service level contracts are being evaluated as part of the programme to better understand the implications. Staff consultations are finishing up and final departmental structures will be released in mid-November. A co-ordinated internal communications strategy is being launched to address key areas of concern and reassure staff.

#### **Affected areas**

Adult Social Care services, Public Health and Children's Services. Further detail is set out in the respective directorate sections below.

### **General Data Protection Regulation**

The General Data Protection Regulation (GDPR) bill will come into effect on 25th May 2018. There may be changes to the bill over the coming months as it passes through parliament. Considerations for the Council include:

#### **Impacts**

- Fines of up to 4% of annual turnover for serious infringements of compliance.
- Potential implications for the scope and ambition of some transformation initiatives.
- Implications for the way personal information is requested and stored by departments.

#### **Controls**

A working group has been set up by ICT and will include representatives from all departments as well as from corporate programmes. A data audit is also being carried out as is a review of the process for Privacy Impact Assessments. A data protection officer will be appointed in line with the requirements of the bill.

#### **Affected areas**

Across organisation including transformation programmes such as the One Front Door and Digital programmes.

# EMT Directorate Sections

<b>EMT Directorate sections:</b>	<b>Narrative account on performance</b>	<b>KPI tables</b>	<b>CFA schedules</b>
3.1 Adult Services and Public Health	Page 20	Page 26	Page 28
3.2 Children's Services	Page 30	Page 34	Page 36
3.3 City Management and Communities	Page 37	Page 41	Page 44
3.4 Growth, Planning and Housing	Page 46	Page 51	Page 53
3.5 Corporate Services	Page 55	Page 60	Page 62
3.6 City Treasurers	Page 63	Page 65	Page 65
3.7 Policy, Performance & Comms	Page 66	Page 68	Page 70

### 3. Performance by service directorate

The information presented below is by exception and has been provided by service directorates. The content reported has been corporately reviewed and validated. Each directorate section below features:

1. a narrative account of performance covering significant achievements and challenges
2. a refreshed set of KPIs for each department,
3. a comprehensive tracker of the City for All 2017/18 commitments

#### 3.1 Adults Services and Public Health

##### Narrative account of service performance

##### Adult Services accomplishments:

##### **Front Door and Demand Management (FDDM) Programme**

The programme is working to join up and digitalise front door services across Adult Social Care and Health and more fully integrate the service provided with targeted prevention services commissioned from the voluntary sector. The programme also aims to increase the community based asset contribution of service delivery (including use of volunteers, local buildings, services, and businesses.)

##### ► **Outputs delivered**

- Digital quick wins delivered including an easier to navigate and improved search engine for People First home page and simple self-assessment functionality that directs customers to services including those that can be directly purchased.
- Report on the City Council's Adult Social Care Front Door completed (scope includes both calls to the corporate call centre provided by Agilisys and the ASC Information and Advice Team which handles emails and referrals from the corporate centre). Conclusions and recommendations are forming the basis of service improvement work now taking place and are informing a wider advisory report on future commissioning options to be tabled in November.
- The Senior Analyst that led on the front door analysis has now taken up the Digital Model Owner role for ASC within the Council's corporate Digital Programme and is in the process of setting out business cases for wider digital transformation.
- Detailed value for money analysis completed on £7.6m portfolio of 62 services provided by 35 voluntary sector providers (funded by Adult Social Care, Public Health, Housing, Corporate and Central London Clinical Commissioning Group). A session was held with senior managers from the Adult Social Care operations teams to validate the value for money findings and develop recommendations for final FDDM report. The session identified a number of criteria that front-line teams require, before being able to effectively refer clients to prevention services that the council commissions and also highlighted some of the key prevention services that front-line staff refer into. The review has set out options for delivering year 2 programme savings which will be the next focal point for the series of presentations to the lead member for Adult Social Care that have been scheduled.

- Adult Social Care's front door services will be the subject of the Council's One Front Door Challenge session on 7 November. The session is designed to ensure that the existing FDDM programme is aligned to the Council's One Front Door principles and will provide programme information key to costing the One Front Door options.

► **Outcomes achieved**

- £1.4m of additional public health funding has been directed to targeted preventative services for adults in 2017/18. If approved, the recommendations in final review report will meet the savings targets set for 2018/19 (£140,000) and 2019/20 (£90,000) as well as helping to ensure that ASC will deliver more cost effective front door and prevention services by building on the evidence base.

### **Commissioning and Marketing Strategy Programme**

This programme is working to deliver major re-commission and care pathway projects and continue to promote independence and manage care package costs at operational level. The programme is also working on the introduction of differential charging opportunities. The overarching aim of the programme is to deliver better outcomes for customers whilst spending less.

► **Outputs delivered:**

- There are five major re-commission projects in progress covering Learning Disabilities and Mental Health accommodations and support, Older People and Mental Health day services and extra care. Value propositions were set out with prospective savings in the region of 5%. For WCC, this equates to target savings of £1.263m over three years. These re-commissions tie into the work on streamlining care pathways.
- A challenge session to review all market propositions and assure full delivery of savings is to be facilitated by the transformation team in mid-November.
- CarePlace, a web based portal to allow market management and brokerage of care home placements switched on for staff.
- A comprehensive list of service and system process bottlenecks and weaknesses that may lead to avoidable levels of spend has been identified and shared with the Heads of Service, with a plan to close any gaps. The improvements have been categorised into:
  - Social Care Practice, which includes: moderating down when a resident no longer needs a large care package, looking at community-based services.
  - Charging, which includes: financial assessments completed on a timely basis so that charging is up to date, financial assessments updated when a resident's circumstances change (e.g., inheritance) and improvements to billing and collection
  - Continuing Healthcare, which includes ensuring the ASC assessment for CHC is done on a timely basis, engaging with the NHS on the assessment and validations in order to agree validity, scope, price, and billing the NHS on a timely basis
  - Payments, which includes the identification and recovery of inaccurate payments.
- Review of all in-house / provided services was completed with a final analysis / recommendations paper which is due to be finalised in mid-November. The review covered all services including day centres and employment services. The reviews covered value for money, operating models and market position.



The reviews have concluded that whilst overall value for money is assured there are opportunities around commercialisation, targeting provision and improved management of some assets that need further consideration.

► **Outcomes achieved:**

- An improved pathway for young people transitioning into Adult Social Care stating the service offer and managing expectations.
- Value propositions to deliver better outcomes and resource management for all commissioned services have been set and are the focal point of re-commissions now underway.
- The programme aims to continue to provide better ways of meeting the outcomes that customers value most whilst delivering a further £4.655m of savings in care and support costs (2017-2020); the Department has been achieving this outcome successfully for the past 5 years.

### **Whole Systems and Health Integration Programme**

This programme is working through the developing Sustainability and Transformation Plans (STPs) sub-regional structure and local Better Care Fund programme and Health and Well Being Strategy to make the transition to a fully integrated health and social care service system. This system will bring together back office, social work services and commissioning budgets with NHS Clinical Commissioning Group (CCG) and provider trust structures. This will provide a service that makes more sense to customers; remove duplication and evolve new roles and models of service delivery; bring together health and social care pathways to deliver better prevention and long-term care outcomes.

► **Outputs delivered:**

- High level business cases to deliver more for less by integrating operations and back office services with resources across CCG and NHS Trust Service systems has been developed.
- WCC is part of the Department's National Nursing Associate Pilot which is the only social care led pilot that is training front line care staff to deliver nursing services.
- Major development and steps towards integration of hospital discharge and community independence services including innovative cross borough working. Associated high performance on delayed discharge and reablement outcomes has been achieved.
- The next (2017/19) Better Care Fund programme has been drafted and incorporates a range of Section 75 investment reviews and a plan to work towards an Integrated Care Service by April 2019. The core focus of the programme is a shared benefits framework to deliver better health and independence outcomes, reduce demand for high cost health and social care services and financial saving.
- Case for Change for Accountable Care Partnership to be considered by EMT on 7<sup>th</sup> November and Health and Well Being Board for the week after. The proposed go live date for a single integrated system is April 2019.

► **Outcomes achieved:**

- Contribution to our 5 year Sustainability and Transformation Plans (STPs) made. The plan sets out shared priorities and a strategic direction of travel around prevention and reduced dependency on high cost health and social care services.

- Public Health programmes have been at the forefront of targeted work to deliver better health outcomes, reduce pressure on the health and social care system and free up substantial levels of funding for targeted prevention services for adults and children's (totalling £8.53min 2018/19).
- Cross hospital and discharge management services has been established with West London Alliance Partners – providing a more responsive and efficient service to patients.

### **Adult Services risks and issues:**

#### **Increasing risk of overspend**

This is associated with a range of factors including the delivery of savings that are dependent on successful demand and market management, counter demographic and care act pressures that may not be fully catered for through growth and risks associated with continuity of health funding.

##### **► Impacts and consequences**

Risk to financial stability (just a 1% overspend on the Department's controllable budget is £600k)

##### **► Mitigation and progress**

Delivery of all efforts to reduce costs through demand and market management and improved modelling, tracking and reporting systems; relationship management with Health and continued development of whole systems working and prudent use of additional funding to Adult Social Care announced March 2017 budget.

#### **Reducing customer satisfaction**

Risks particularly to existing customers that experience change to the services they receive. The biggest risk is associated with existing customers of re-designed and re-commissioned services.

##### **► Impacts and consequences**

Risk to reputation and delivery of service change agendas.

##### **► Mitigation and progress**

Use of customer insight and intelligence to design and delivery all major projects and programmes. Departmental Communications and Change Management Strategy is in place and puts emphasis on close consultation and co-production through change process. Lower level plans are in place for all major programmes and projects that are focussed on the outcomes most valued by our customers.

### **Public Health accomplishments:**

#### **Stop smoking achievements are best in England**

The NHS recently published the annual results from the monitoring of the NHS Stop Smoking Services in England during the period April 2016 to March 2017.

##### **► Outputs delivered**

Recently published national indicators show smoking prevalence has fallen to a record low of 13% in Westminster (compared to 22% five years ago) and we remain among the lowest in the country for smoking in pregnancy. Public health communications continues to support Westminster's Communications team to

deliver the Stoptober campaign to residents through social media, and internally through staff drop in sessions via our provider.

► **Outcomes achieved**

In 2016/17 9.7% (2,918) of Westminster's smoking residents set a quit date with 'Kick It' and 4.7% (1,558) successfully quit smoking for 4 weeks. This performance exceeds the ambitious target that was set in their contract and means that 'Kick It' in Westminster are not only the leading stop smoking service provider in London but also in England. (This is measured by number of 4 week quits achieved per 100,000 smoking population)

**Annual Public Health Report and Mental wellbeing published**

The publication of an Annual Public Health Report demonstrates the state of health within the community. It is a major opportunity for advocacy on behalf of the health of the population and as such can be extremely powerful both in talking to the community and also to support fellow professionals in public health. This year the report included a focus on mental wellbeing.

► **Outputs delivered**

The Director of Public Health, Dr. Mike Robinson, used his annual report this year to highlight the important issue of mental wellbeing and how we can all improve our mental wellbeing. The report suggests five simple ways we can all protect our wellbeing: by being active, giving, learning, taking notice and connecting with each other.

► **Outcomes achieved**

The report is also a call to action to local health and wellbeing leaders to focus on preventing mental ill health. Following this report, the public health department will be initiating a joint work programme working across the Council, to take forward the recommendations detailed in the annual public health report. As part of this, key KPIs and proxy outcome measures will be developed to track progress on the outcomes achieved for residents. London and Thrive LDN a citywide movement to improve the mental health and wellbeing of all Londoners.

**Embedding of the new business model**

Following the launch of the new Public Health operating model in April, new ways of working have been embedded, allowing the following below outcomes and outputs to be delivered

► **Outputs delivered**

- Drafted a 5-year public health strategy to inform 18/19 business plan
- Defined a set of priorities to help re-focus staff and financial resource for maximum health impact going forward. Topic specific fact sheets being developed to inform joint work programmes with other departments.
- Completed the prioritisation framework data capture exercise to inform future commissioning decisions. This process measures 90+ services across a range of indicators and evidence, to build on knowledge and efficacy of service to support investment decisions going forward.

- Developed a public health programme portfolio with regular programme reporting Health promotion activity planned for the year ahead
- Better connected and contributing to corporate programmes e.g. delivering Making Every Contact Count through the corporate effective neighbourhood working programme
- Developed next phase of operating model as part of the bi-borough proposals (currently out for consultation) and establishment of recruitment board

▶ **Outcomes achieved**

The impact of the work of the public health function will be evidenced through a Public Health Impact Dashboard which will be produced over the next 6 months.

**Public Health risks and issues:**

**Termination of Tri-borough arrangements**

▶ **Impacts and consequences:**

As services transfer from tri-borough to bi-borough and single borough services there is a risk that the Public Health Function will be destabilised. Commissioned services may need to contract variations to account for possible increased costs and amended targets. There is a risk that as staff morale will be low during this time of change that productivity will fall and staff turnover increase.

▶ **Mitigation and progress:**

A proposed bi-borough operating model is out for consultation. Transition plans will need to be developed for the function. The consultation process will be run to schedule to minimise disruption.

▶ **Timeframe for improvement:**

The consultation is due to end early November, with the bi borough model needing to be stable and embedded by the 1<sup>st</sup> April 2018.

**The Pan London E-service for Sexual Health**

This new online service is an integral part of the London Sexual Health Transformation Programme's (LSHTP) development of a comprehensive sexual health service in Westminster and London-wide.

▶ **Impacts and consequences:**

The service go live date has been delayed further to January 2018 (previously September 2017) for some London Boroughs but tri-borough will likely go live from April 2018. Delays to this launch impact on our ability to channel shift residents to this service and therefore realise a cost reduction in an activity-based service and budget.

▶ **Mitigation and progress:**

To mitigate this we are monitoring our demand strategy and ensuring the pathway to community sexual health services is promoted to residents and stakeholders, to use this resource effectively.

- ▶ **Timeframe for improvement:**  
Service to go live date is April 2018.

### **Disruptions due to major events (emergency planning)**

- ▶ **Impacts and consequences:**  
Given the nature of Public Health and its wider role in protecting the community, it is likely that any major events or incidents will rely heavily on Public Health interaction and intervention. This work in supporting the public will result in decreased resources and capacity as staff and services are moved as appropriate. This has been highlighted by the support given to the Grenfell response.
- ▶ **Mitigation and progress:**  
Ensure there is enough flexibility in present resourcing and structures are built with the capacity for increased demand. Recruitment board developed to ensure posts are filled. Agile working principles are in place, allowing staff to cover multiple roles/locations and fill any gaps. Ensure lessons learnt from recent incidents contribute to Public Health business continuity plans and emergency response plans.
- ▶ **Timeframe for improvement:**  
Resilience is continuing to be built through these mitigation actions, however current progress will rely on the successful implementation of an effective bi-borough model for Public health.

## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>Adult Social Care</b>								
1. Percentage of clients who require long term service after completing a reablement package	29% (249/845)	34%	29%	25%	<b>33%</b> (188/572)	<b>Amber</b>	-3%	<b>Benchmark:</b> In 16/17, 88.9% of older people who were still at home 91 days after discharge from hospital into reablement service. Better than the London (85.5%) and national (88.5%) averages.
↳	<ul style="list-style-type: none"> <li><b>Service commentary:</b> Approx 1/3 of clients receiving a reablement programme go on to require a longer term package of care, while 2/3 do not need formal support services. Of the 1/3 many would have shown improvements/reduction in their level of need so still greatly benefited from the intervention.</li> <li><b>Mitigation:</b> Continue to closely monitor reablement outcomes and ensure all community and low level service options are fully explored.</li> <li><b>Timeframe for improvement:</b> Q4</li> </ul>							
2. Percentage of service users receiving an assessment/review of their needs	80% (2,232)	75%	85%	90%	<b>78.3%</b> (2,188/2,794)	<b>Amber</b>	N/A	<b>Benchmark:</b> In 16/17, overall satisfaction of carers with WCC social services was 38.5%. This is above the London average of 34% and in line with the national average (of 38.7%).
3. Delayed transfers of care, acute days attributed to social care (cumulative)	826	1,213	1,103	1,047	<b>551</b>	<b>Green</b>	+450	<b>Benchmark:</b> In 16/17, the average number of delayed transfers of care attributable to social care, per 100,000 of population was 2.5, below Inner London (3.1), London (3.8) and national (6.3) averages for the year. <a href="#">Source</a> .  <b>Reporting period:</b> July 2017 data – NHS England have two month reporting lag.
4. Number of carers (caring for an adult) who have received an assessment of review of their needs	85% (929)	75%	85%	90%	<b>42%</b> (320/767)	<b>Green</b>	+27.1%	<b>Benchmark:</b> In 16/17, 65.4% of carers who find it easy to find info about support. Above inner London (61%), London (62%) and national averages (65%).
5. Total number of new permanent admissions to residential/nursing care of people aged 65 years and over	92	105	95	85	<b>31</b>	<b>Blue</b>	+20	<b>Benchmark:</b> In 16/17, 425 permanent admissions of older people to Westminster residential and nursing care homes, per 100,000 population. This compares to 651 nationally and 454 in London.
<b>Public Health</b>								

Key performance indicator <i>[S] - Statutory indicator</i>	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				
6. Percentage of children who receive a 2-2.5 year development review	100%	-	75%	-	84%	Green	N/A Q1 data reported	<b>Reporting period:</b> Q1, April - June 2017
7. Stop Smoking Services – number of 4 week quits	1,558	1,293	1,365	1,437	343	Green	N/A Q1 data reported	<b>Benchmark:</b> Among LAs, WCC had the highest quit attempts (11,248) and quitters (5,529) per 100k smokers in 2016/17. <b>Reporting period:</b> Q1, April - June 2017
8. Community Champions -Number of residents reached through activity	17,545	-	10,000 Q2: 2,500	-	4,302	Blue	N/A Q1 data reported	<b>Reporting period:</b> Q1, April - June 2017
9. Percentage of STI (Sexually Transmitted Infections) screens undertaken in a community setting	2%	2%	4%	6%	6% (436/7,195)	Blue	N/A Q1 data reported	<b>Benchmark:</b> the rate of all new STI diagnoses per 100,000 among all ages in Westminster was 1,900, the 7 <sup>th</sup> highest amongst LAs and above the London average of 1,351. <b>Reporting period:</b> Q1, April - June 2017
10. Proportion of opiate misusers in treatment, who successfully completed treatment and did not re-present within 6 months	7.17%	-	TBC	-	N/A	N/A	N/A Q1 data reported	<b>DQ issue:</b> Data not available due to technical issues with the national systems. The suppliers are aware of this and working to fix. Data will be available from Q3.

Target range definitions <sup>1</sup>	Minimum	Ideal	Aspirational
	The absolute minimum level for the KPI that will still allow the service to deliver	A level which is acceptable for service continuity	The level at which the service is improving beyond current capability

Target assessment definitions <sup>2</sup>	Red	Blue	Green	Amber
	Below / failing to achieve the minimum target level	Achieving above the aspirational target level	On track to achieve between the ideal and aspirational target level	Achieving the minimum standard target tolerance level



The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that thee directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Building homes and celebrating neighbourhoods</b>		
Deliver our Health and Wellbeing Strategy, including redeveloping accommodation for people with care needs to provide extra nursing home places and specialist services.	On Track	<ul style="list-style-type: none"> <li>The proportion of adults with a learning disability known to ASC in paid employment is at 6%, compared to a yearend target of 7.5%.</li> <li>Over 93% of adults with learning disabilities are currently receiving a personal budget, ahead of a year-end target of 90%.</li> <li>There have been 31 new admissions to residential and nursing care in the first half of the year.</li> <li>Community engagement piece is to be investigated further.</li> <li>The 100 day implementation phase of the new school health service is now complete and the service is undergoing quarterly contract monitoring. Evaluation of the service will commence in April 2018. Contracts have been awarded to the new borough-wide maternity champions project. The implementation phase commenced in July and is now complete. The project will continue to be monitored quarterly.</li> </ul>
We will work closely with our colleagues in the CCG towards a GP / Provider Trust hub.	On Track	<ul style="list-style-type: none"> <li>See commentary provided (on page 8) on Whole Systems and Health Integration Programme.</li> </ul>
Work with the NHS to ensure the financial sustainability of our health and care system.	On Track	<ul style="list-style-type: none"> <li>See commentary provided for the Front Door &amp; Demand Management (FDDM) Programme and Commissioning &amp; Marketing Strategy Programme on pages 6 and 7 respectively.</li> </ul>
Launch a new 'Share It' campaign to tackle the stigma associated with mental health	On Track	<ul style="list-style-type: none"> <li>The report has been produced and is due to be published.</li> </ul>
<b>Creating a greener city</b>		
Lead the way in demonstrating how responsible city government can address growing concerns over poor air quality. We will launch our new Clean Air Strategy filled with measures to improve air quality in the city.	On Track	<ul style="list-style-type: none"> <li>A process for joint works programmes has been developed and work has been completed to improve local understanding of the health impact on local populations. There is a continued service to support development of local solutions and embed messages about health impact of air pollution.</li> </ul>
We will also offer community gardening and education at eleven additional sites, demonstrating the clear link between nature and a healthy life as part of our programme to tackle the unacceptable level of childhood obesity in our city	On Track	<ul style="list-style-type: none"> <li>Sites have been identified and the equipment is in the process of being commissioned.</li> </ul>
<b>Maintaining a world class Westminster</b>		

City for all Pledge	Delivery Status	Progress update at the end of the quarter
Invest a total of £2.1m over the next three years in a new assessment centre to help people off the streets quickly and to make sure that vulnerable people are given targeted support for any drug, alcohol and mental health issues	On Track	<ul style="list-style-type: none"> <li>The services that have been commissioned include access to inpatient and community detoxification, day programme and group-work, residential treatment, hospital liaison service. Care management and dual diagnosis have now embedded in treatment system and funding has been continued for Club Drug clinic. Our blood borne virus strategy is now being refreshed, with commissioned services including provision for those involved in criminal justice system.</li> </ul>
<b>A smart council</b>		
Launch a new online service to improve access and give people more choice over sexual health education and treatment in Westminster	On Track	<ul style="list-style-type: none"> <li>Quarterly contract monitoring is now in place for the GUM service and procurement exercises have been concluded. The service should be mobilised from the end of October to 31st March 2018 and STI screening deliverables are either underway or completed by partner agency (City of London). There is a bi-monthly Partnership group meeting to monitor this milestone and their evaluation report will be delivered in December.</li> </ul>
Bring forward our one front door programme that will train 100 social workers, librarians and city inspectors to be our eyes and our ears, spotting where vulnerable people may need additional support and taking proactive action. We will work across council services, making sure vulnerable people get the help they need	On Track	<ul style="list-style-type: none"> <li>There have been conflicting priorities and delays. However, the training to be provided by trainer service and once this work is undertaken this will be underway and no further delays to occur. The pledge should be on track by year end.</li> </ul>

## 3.2 Children's Services

### Narrative account of service performance

#### **The Centre for Social Work is delivering the Practice Leaders programme and the systemic training programmes to Local Authorities and leaders.**

The Practice Leaders programme is a national Department for Education (DfE) sponsored and funded social work leadership programme to develop more high quality future directors of family services.

#### ► **Outputs Delivered**

- Children's Services were asked to deliver this on behalf of the Department for Education through the Centre for Systemic Social Work. Our first cohorts (19 places) started earlier this year and are due to graduate from the programme next year. We have two WCC aspiring directors in cohort one. To date, four of the participants have been appointed in temporary or permanent practice leader roles as assistant directors. The Centre has commenced recruitment for the second Cohort with the closing date for applications is 16 November 2017.
- The Centre for Systemic Social Work is also delivering an equivalent of Year 1 Family Therapy training to social workers from three other Local Authorities, Slough, North Yorkshire and Telford and Wrekin. This cohort is receiving positive feedback and is due to complete by the end of the calendar year. Support will continue in year two to help embed practice changes. Discussions with Local Authorities and the DfE for next year are underway.
- The Director of the Centre for Systemic Social Work has been recruited (the previous executive director of Tri-borough Children's services) and will focus on developing a sustainable business model to enable the Centre to continue to deliver programmes once the Department for Education funding has gone in two years' time. This model will include continued delivery of systemic social work training and may incorporate improvement partnership work with other Local Authorities' Children's services.
- The Centre will be formally launched at a national conference to be held on 10<sup>th</sup> November 2017 with high profile speakers from the systemic practice world.

#### ► **Outcomes to be achieved**

Although still at an early stage the Centre for Social Work is developing models for sustainability from income, which, in addition to the training modules has elements offering peer review and improvement support to embed whole systems change.

#### **"Perfect Pathways" Special Educational Needs & Disabilities (SEND) Service Redesign and Delivery**

Perfect Pathways has run between April and September 2017 as a system wide review of services for children with SEND in Westminster. The aim of the project has been to take a completely new look at the way in which we provide targeted support for children with special educational needs and disabilities from the age of 0-18 years.

#### ► **Outputs Delivered**

- Between April and July 17 discovery work was undertaken with a focus on understanding parents' experiences and wishes. This has involved the application of a new toolkit, inspired by the Design Council's Accelerator program.

- In August 2017 findings were triangulated with providers and professionals across the system.
- The process has been a great encouragement to both parents' groups and providers and has led to a shared consensus on both the key challenge facing the system and options for a future model and service offer.

► **Outcomes to be achieved**

- Clarity on the challenges facing the system
- An improvement in relationships across the system, particularly with parents
- Increased confidence in Local authority's commissioning and transformation processes
- Delivery of £365k savings target set against the Specialist Commissioning Intervention budget
- A series of coproduced recommendations for future services and a model to take forward.
- Create an infrastructure that supports parents to understand, access and journey through the Local Offer to access the right support, for the right children, at the right time, with the right professionals.
- Provide a more graduated Local Offer that is better able to meet the diverse needs of both children and parents and build resilience.
- Re-shift the allocation of resource towards early intervention to improve both children's outcomes and value for money.

**Risks and Issues:**

**Ongoing pressures to identify and meet the needs of children and young people with SEN**

The requirements of the Children and Families Act in relation to children with special educational needs and disabilities (SEND) have led to challenges in ensuring that children's needs are identified and met across a wider age range, following integrated planning with a wide range of agencies.

► **Impacts and consequences**

- Challenge to ensure the 690 children or young people with a SEN Statement are transferred onto new Education, Health and Care plans and assessed by the 31<sup>st</sup> March 2018 national deadline.
- The joint Ofsted and Care Quality Commission Inspection of the local area (SEN Service, Schools, Health partners and parents) will gauge how well agencies fulfil their statutory responsibilities for children and young people with special educational needs and or disabilities. We could be notified of this inspection at any point during school term time over the next year, with 5 days of notice given prior to inspection.

► **Mitigation and progress**

- Plans in place and resources reviewed to ensure the required numbers of transfers take place and new assessments are completed in time.
- The SEN Service 'New Ways of Working' initiative has been in operation since April 2017, streamlining internal processes for Education, Health and Care (EHC) needs assessments and transfer review and improving our performance tracking against statutory targets.

- The SEN Service Improvement Plan identified six key priorities, including: compliance, communication, culture, collaboration, good quality data and people. A number of improvement actions linked to these priorities are currently being implemented.
- There has been an increase in capacity in the Transfer Review Team to help sustain performance, in the last quarter 88 EHC cases were transferred by the service.
- A plan writing agency (Panoromic) have been commissioned to assist with plan writing capacity to support EHC transfers by the 31st March 2018.
- Quarterly self-evaluation of the effectiveness of SEND provision is used to ensure that resources are focused on agreed priority areas for improvement. This is underpinned by regular monitoring of service performance against statutory targets by the Director of Education, to understand impact of changes. A multi-agency Executive Board provides a forum to support integrated service development and coordinated preparation for a local area inspection.
- A highly experienced SEN resource has been appointed to assist in the transfer reviews

► **Timeframe for improvement**

We are working to address these to fit within national timescales for the transfer to new Education, Health and Care plans by the national deadline (currently set at 31<sup>st</sup> March 2018)

**Notice being served on the S113 agreement between the three Councils**

A large scale and intensive period of service reconfiguration will be required to deliver the disaggregation of the shared service arrangements that are currently in place.

► **Impacts and consequences**

- Failure to meet the needs and expectations of our customers, politicians and the service itself as a result of either disruption to business as usual activities and processes as services models are re-shaped or delays, or a failure to achieve existing change initiatives across the service within planned timescales, especially where these are linked to financial savings.
- There is also the potential for the activities and change process to result in a loss of existing knowledge and expertise – with associated recruitment challenges following any loss of staff.

► **Mitigation and progress**

- In September 2017 the Children's Department submitted finalised proposals in the form of costed structure charts and associated rationale documentation which were approved by the two Chief Executives. The Staff Consultation has since gone live as of the 2<sup>nd</sup> October 2017.
- Kick off events for each existing Directorate took place in October. Following these, over the first two weeks of the consultation service level engagement events were held with all affected staff invited to attend. These were led by senior managers within each service area, with HR support also present. Further meetings and drop-in sessions have been arranged for each department prior to the end of the consultation, details for which have been cascaded via email as well as uploaded on to the staff intranet.
- Any queries and issues raised by staff are being received and logged via the Children's consultation mailbox. These are being reviewed and responded to

with the service liaising with relevant colleagues from HR to ensure the correct response is given in a timely fashion.

- All staff have received information of a named contact in HR whom they can liaise with. And have the opportunity to take up 121 meetings with their line manager to share any concerns.
- Interview training is available for staff to access prior to any competitive assimilation processes, which will be provided by HR.
- Senior managers are receiving reports based upon the issues that come through to ensure collective oversight of queries, and enable the isolation of key themes, as well as the formulation of pertinent FAQs. These FAQs are regularly updated on the staff intranet and re-circulated to staff via email.
- Planning is underway to look at the implementation of these proposals after consultation finishes on the 2<sup>nd</sup> November 2017. An initial implementation report will be produced and shared with Children's Services Senior Leadership Team accordingly.
- On-going staff communications and engagement cascading key information and developments as soon as is appropriate.
- Effective governance arrangements for the implementation of the programme are in place.

► **Timeframe for improvement**

Current timescale is that implementation of HR reorganisation is completed by Christmas with implementation and transition to new working arrangement between Jan - Mar 2018.

### **Childcare Provision**

Challenge to ensure sufficient childcare provision including targeted offer of 2-year-old places, the universal offer of 15hrs free childcare for 3 and 4 year olds as well as the additional 15hrs free childcare entitlement for working parents of 3 - 4 year-old children. There is additional need to consolidate more 2 year olds from vulnerable families to take up the offer of free childcare places. Also ongoing pressure to ensure a sufficient supply of 30hrs a week childcare places for 3 and 4hrs in line with Government policy but within the special circumstances of London's childcare market

► **Impacts and consequences**

Failure in our legal duty to ensure sufficient childcare provision to meet local need through effective provider engagement and delivery. This includes sufficiency and targeted offer of 2-year-old places, the universal offer of 15 hours' free childcare for 3 and 4 year olds as well as the additional 15 hours' free childcare entitlement for working parents of 3-4 year olds; and out of school and holiday childcare.

► **Mitigation and progress**

- London Early Years Foundation (LEYF) and Bright Horizons (WCC's largest Private Voluntary and Independent organisation) have confirmed their delivery of the 30 hour offer and are actively promoting this on their websites. London Early Years Foundation are also working with Early Years staff to look at increasing their offer and uptake of 2-year-old places.
- 30 Hour childcare - Predicted take-up versus supply has been established by ward alongside the identification of areas of need or hotspots. Weekly monitoring of take-up via eligibility checks on the Eligibility Checking System.

- Data team and IT working to ensure sufficient reporting mechanisms are in place to establish sufficiency and take up moving forward
- Provider Agreements have been approved and distributed and Inclusion Funding policy has been agreed and shared with providers
- YouTube Videos and guidance uploaded onto Family Information Service to support providers with checking eligibility and inputting accurate headcount data
- Communication Timeline re-visited due to lack of national advertising a comprehensive plan put in place
- Provider Audit Toolkit in place

► **Timeframe for improvement**

- By December 2017 we will have
  - provider engagement to ensure 2-year-old places are still actively being promoted and made available for identified families
  - provider workshops on viable and sustainable business models delivered to ensure a mixed economy of places are available to local families.
  - undertaken a sufficiency audit (post October Headcount) to identify sufficiency for January 2018 onwards.
- By April there will be
  - ongoing promotional and marketing materials in place to cover 2, 3 and 4-year-old funded childcare across the borough, this will be through social media, Family Information Service and external marketing.
  - a review undertaken of the current position and a number of activities around expansions of spaces and improvements will have been completed.



## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>Children's Services</b>								
1. Increased proportion of Education, Health and Care assessments which are completed within 20 weeks [S]	35% (17/41)	55%	70%	75%	<b>64%</b> (30/47)	<b>Amber</b>	+45%	<b>Insight:</b> 19% of Education, Health and Care assessments were completed within 20 weeks in Q1 (3 of 16).
↳	<ul style="list-style-type: none"> <li>• <b>Service Commentary:</b> The resulting improved systems and processes from 'New Ways of Working' are showing positive results. The service is now recording a continued improvement in the number of assessments completed within 20 weeks.</li> <li>• <b>Mitigation:</b> Work is currently underway to implement a new case management site, this should support the service to build on the improvements of New Ways of Working and support practitioners to proactively manage their casework</li> <li>• <b>Timeframe for Improvement:</b> Improvement should be evident by Q3.</li> </ul>							
2. Improve compliance with SEN requirements Increased number and proportion of SEN statements transferred to Education, Health and Care Plans (EHCP). [S]	53	300	600	861	<b>543</b> (Currently have an EHCP)	<b>Amber</b>	N/A KPI new for this quarter	<b>Benchmark:</b> In 16/17, there were 5,072 Pupils with SEN in Westminster schools. This is below the London average (6,361) and the 10 <sup>th</sup> lowest amongst all LAs. Neighbouring RBKC, H&F and Camden all have fewer SEN pupils. <i>Source: DfE.</i>
↳	<ul style="list-style-type: none"> <li>• <b>Service Commentary:</b> Challenge to ensure the 690 children or young people with a SEN Statement are transferred onto new Education, Health and Care plans and assessed by 31<sup>st</sup> March 2018 national deadline.</li> <li>• <b>Mitigation:</b> <ul style="list-style-type: none"> <li>○ Plans in place and resources reviewed to ensure the required numbers of transfers take place and new assessments are completed in time.</li> <li>○ The SEN Service 'New Ways of Working' initiative has streamlined internal processes for EHC needs assessments and transfer review and improving our performance against statutory targets.</li> <li>○ A number of improvement actions linked to THE SEN Service Improvement Plan are currently being implemented.</li> <li>○ There has been an increase in capacity in the Transfer Review Team to help sustain performance, in the last quarter 88 EHC cases were transferred by the service.</li> <li>○ A plan writing agency has been commissioned to assist with plan writing capacity to support EHC transfers by the 31st March 2018.</li> <li>○ Quarterly self-evaluation of the effectiveness of SEND provision underpinned by regular monitoring of service performance against statutory targets.</li> <li>○ A multi-agency Executive Board provides a forum to support integrated service development and coordinated preparation for a local area inspection.</li> </ul> </li> <li>• <b>Timeframe for Improvement:</b> Improvement should be evident by Q3.</li> </ul>							
3. Percentage of children in care aged under 16, who have been continuously in care for at least 2.5 years, who have lived in the same placement for at least 2 years [S]	87% (46/53)	75%	87%	90%	<b>70%</b> (37/53)	<b>Amber</b>	-5%	<p><b>Benchmark:</b> The 2016-17 position of 87% represents good performance and improvement from 81% for 2015-16 when WCC was ranked 7th best nationally.</p> <p><b>Data Quality:</b> Performance on this indicator is most accurately reported on 31st March as current placements will meet the duration criteria and older young people in the cohort will age out of the measure by year end.</p> <p><b>Reporting Period:</b> Final outturns reported March 2018</p>

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				

4. Number of social care contacts that go onto early help	5% (287 of 5,872)	15%	→ 20%	→ 25%	5% (145/2,783)	Amber	N/A KPI new for this quarter	<b>Data Quality:</b> In 2016/17 there was an Early Help restructure which also lead to new ways of categorising contact going to early help. Therefore the two years reporting are not comparable. <b>Insight:</b> Performance is anticipated to achieve aspirational target level of 25% by year end.
5. Percentage of re-referrals to social care within 12 months of the previous referral [S]	9.9% (508 of 1815)	16%	→ 9.9%	→ 9%	13.2% (96/725)	Amber	-2%	<b>Benchmark:</b> In 15/16, there were 9.9% (508) of referrals to children's social care within 12month of earlier referral. This compares well with the most recent national rates of England (22%) and London (16%). <b>Insight:</b> Performance in Q2 has improved from 15% (48 of 330) in Q1.
6. Percentage of Westminster's pupils who achieve 9 - 4 (A*-C) in English & mathematics	72%	74%	→ 76%	→ 78%	74%	Amber	+2%	<b>Benchmark:</b> The percentage increased between 2016 and 2017 and was above the national average of 59%.
7. Percentage of Westminster schools judged to be outstanding by Ofsted	35%	35%	→ 38%	→ 40%	35%	Amber	No change	<b>Benchmark:</b> The percentage remained the same between 2016 and 2017 and was above the national average of 21%. The percentage increased between 2016 and 2017 and was above the national average of 61%.
8. Improve % of children who reach expected levels for reading, writing and maths at the end of primary school	58%	58%	→ 68%	→ 73%	68%	Green	+10%	
9. Reduce number of children entering care aged 14-17 (excluding UASC) [S]	17	20	→ 17	→ 17	11	Green	+5	<b>Insight:</b> in Q1 there were six entries into care in this category with five in Q2.
10. Increase the number of foster carers recruited	18	8	→ 10	→ 15	7	Green	+5	<b>Benchmark:</b> In 15/16, 73% of children were in a foster placement, just below the Inner London and London averages. Source: DfE. <b>Insight:</b> To date, six new foster carers were approved with one additional dual approved carer. Currently the service has six foster carers in stage 1 and eight assessments in stage 2 on schedule to be approved before Dec 2017. This would result in the aspirational target being achieved.

Target range definitions <sup>1</sup>	Minimum	Ideal	Aspirational
	The absolute minimum level for the KPI that will still allow the service to deliver	A level which is acceptable for service continuity	The level at which the service is improving beyond current capability

Target assessment definitions <sup>2</sup>	Red	Blue	Green	Amber
	Below / failing to achieve the minimum target level	Achieving above the aspirational target level	On track to achieve between the ideal and aspirational target level	Achieving the minimum standard target tolerance level

The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that thee directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Building homes and celebrating neighbourhoods</b>		
Continue to set the standards of excellent education for our young people, retaining the high proportion of local schools which are judged by Ofsted to be good or outstanding.	On Track	<ul style="list-style-type: none"> <li>35% of Westminster Schools are currently judged outstanding by Ofsted. This is in line with minimum targets for the service and compares with 21% nationally.</li> <li>68% of children are currently reaching the expected levels for reading, writing and maths at the end of primary school, which is matching the ideal target level of the service and compares with 61% nationally.</li> <li>74% of Westminster's pupils are achieving the Progress 8 GCSE measure in secondary school, which matches the minimum target level for service continuity and compares with 59% nationally.</li> </ul>
In addition to this we will create 100 new places over five years in Westminster City Boys' School	On Track	<ul style="list-style-type: none"> <li>Westminster City Boys is on track to open in February 2018.</li> </ul>
Create a new Early Help website to provide information and advice for thousands of families from schools, childcare practitioners and charities in one clear and easy to access place	On Track	<ul style="list-style-type: none"> <li>The new Early Help Information system was introduced in April 2017. It is the rebranded Family Information System (FIS). This has been widely promoted with partners.</li> <li>The website is home to the new Multi-agency Assessment and Referral Form, which is now used by agencies referring into social care.</li> <li>On average there are 500 hits a month.</li> </ul>

### 3.3 City Management and Communities

#### Narrative account of service performance

##### Accomplishments:

##### **London in Bloom Awards Success**

The Annual Awards is where London in Bloom celebrates the efforts of London's Boroughs, Communities, Businesses and individuals who make London a special place to live, work and visit.

##### ► **Outputs delivered:**

- Green, clean and safe parks and open spaces
- The national Green Flag awards scheme and London in Bloom awards are used by the Parks team to gain independent feedback on service delivery and also inform individual improvement projects across the parks portfolio. Both award schemes have a range of judging criteria that cover all aspects of parks management; from horticulture and biodiversity to community engagement.

##### ► **Outcomes achieved**

- The council has won the 'Council of the Year' top prize at the London in Bloom 2017 awards.
- Victoria Embankment Gardens once again stood out with a Gold award. The judges commented that "Everything was beautifully maintained and the bedding schemes for which this park is justly renowned were visually stunning and horticulturally superb. Possibly one of the busiest gardens in London, this park is an excellent example of how it should be done."
- A number of Gold and Silver Gilt awards were also secured for other individual parks sites. These are:
  - Churchill Gardens Wildflower Meadow
  - Ebury Square Gardens
  - Leicester Square Gardens
  - Paddington Street Gardens
  - Porchester Square Gardens
  - St John's Wood Church Ground Gardens

##### **Old Marylebone Town Hall reopening**

Reopening of the town hall is planned for January 2018, following 4 year closure for refurbishment.

##### ► **Outputs delivered:**

The booking diary opened 30 September 2017 and within the first 10 days over 60 ceremonies have been booked. Over 170 couples have signed up to attend the open house event on 13<sup>th</sup> and 14<sup>th</sup> January 2018, and over 200 suppliers including wedding planners have signed up to attend the Industry launch event on 11<sup>th</sup> January 2018.

##### ► **Outcomes achieved:**

The service is forecasting over 1,700 ceremonies in the first full year of opening at OMTTH, in order to achieve its budget income of £1.8m. Fit out of the venue is nearing completion and with soft marketing having started, 116 bookings have already been taken, giving an indication of its potential. Monitoring of bookings is

dynamic, with realtime booking and payment figures available due to online booking. Financial monitoring is monthly, with forecasts adjusted against budget as actual income for 2017-18 and 2018-19 is taken.

### **Sport and leisure facilities in Queens Park**

Delivery of Phase 1 of the Jubilee part of the Active Queens Park project on time and on budget, with 16 new private sale properties and 12 new affordable homes built.

► **Outputs delivered:**

New properties built on previously derelict land to the rear of the Jubilee Sports Centre. Phase 1 of the associated programme of works at the Moberly Sports Centre site, which includes the delivery of the £28m sports and leisure facility, also continues to progress to programme and activities include the development of the steel frame structure, internal structures and completion of the roof structures to the new leisure centre.

► **Outcomes achieved:** Completion of Phase 1 to time and budget.

### **Risks and Issues:**

#### **Increase in moped enabled crime**

Since 2016, the Metropolitan Police Service has identified a significant increase in crimes committed by offenders, riding mopeds and other vehicles such as motorised scooters, across London and in Westminster. One particular trend identified by Police has been robberies committed by gangs on mopeds across London and in recent weeks a number of smash and grabs have occurred. The top five wards local safer neighbourhoods affected are Oxford, Regent and Bond Street, Cavendish Square, Marylebone High Street, Hyde Park and Regents Park.

► **Impacts and consequences:**

Whilst there have been some instances of young adults from Westminster involved in moped related crime, with 11 individuals arrested residing in Westminster, the vast majority of offences are from residents residing in the London boroughs of Camden, Islington, Haringey, Southwark, Kensington and Chelsea, Hammersmith and Fulham and Wandsworth. It is difficult to provide more detailed figures on the location and number of young offenders at this stage, due to the nature and complexity of the offending and that a number of offences are still being investigated by the police.

► **Mitigation and progress:**

- The service's overarching strategy in response to the recent escalation in moped enabled crime has been to focus on ways in which we can strengthen and expand multi-agency and cross border working to support the police to tackle this issue.
- The service is working closely with the police and other partners to improve intelligence sharing, to identify those at risk of becoming either a victim or offender and ensuring the right support is in place to prevent this. In addition, we are working with the safer schools partnership to raise awareness of this issue with young people in Westminster. A roundtable meeting, chaired by the Police and supported by the City Council, is being organised with key representatives be invited from the BIDS, business, housing and security sectors to discuss how we can work together to support the Police in tackling this issue.

### **Increase in the number of crimes using corrosive or other “noxious substances”**

There has been an increase in the number of crime using corrosive or other “noxious substances”, with the number in London doubling over the last three years. The number of recorded incidents rose from 186 between April 2014 and March 2015 to 397 in the same period in 2016-2017.

#### ► **Impacts and consequences:**

These incidents have a devastating effect on victims, both physically and emotionally. Westminster had 24 recorded incidents between 2011 and 2016, with Newham having the highest level of incidents at 398. Analysis across London suggests that Westminster was nudging into the amber zone in terms of numbers of incidents per borough.

#### ► **Mitigation and progress:**

- Trading Standards have commenced a project aimed at restricting the sales of noxious substances which may be used to harm others, working jointly with the police to tackle this issue.
- The team have identified approximately thirty independent premises that we would like to join a voluntary scheme in Westminster, agreeing to keep logs of sales made and refusing sales to children, or where they have any other concerns regarding potential purchasers. Trading Standards are also working with major supermarkets get their buy-in. We are working with the communications team to create some material to outline the reasons behind this work and how retailers can support us.

#### ► **Timeframe for improvement:**

The project will aim to sign up premises to the voluntary scheme in the next quarter of this year and will follow this with a test purchase operation to assess its success.

### **Procurement of new Waste Vehicle Fleet for the Ultra-Low Emission Zone**

To tackle poor air quality and reduce greenhouse gas emissions the Mayor and Transport for London (TfL) have developed a proposal for an Ultra-Low Emission Zone (ULEZ) in central London. This would require all vehicles travelling in the zone to meet specified exhaust emissions standards.

#### ► **Impacts and consequences:**

The current waste fleet is scheduled to be replaced in Sept. 2020. The Mayor of London has consulted on bringing forward ULEZ start date from Sept. 2020 to April 2019. This would require retrofitting new equipment to existing vehicles or bringing forward fleet procurement date if Mayor of London does not agree to the 'sunset period' we have requested. A budget of £2m has been included in the capital programme for 2018/19 for retrofitting the fleet in the event this is required.

#### ► **Mitigation and progress:**

Consultation response to Mayor of London/TfL highlights procurement timetable difficulties in achieving compliance by April 2019 proposed start date and the lost opportunity of having to procure fleet in advance of detailed testing of new vehicle technologies.

► **Timeframe for improvement:**

The Mayor of London's decision on whether to bring forward the ULEZ start date was due to be announced in 'summer' 2017 but has been changed to 'autumn' 2017.

**Standing items of note:**

- The **sports and leisure capital programme** which is being delivered by the Council's appointed leisure management contractor (Everyone Active) is now almost fully completed. The £9m programme has delivered a variety of improvements across the Council's portfolio of leisure facilities.
- The successful **launch of the National Fitness Day** by UK Active and Everyone Active at Paddington Recreation Ground
- During quarter two, 87.3% of Westminster **parking transactions were self-served** through the web, app or automated IVR solutions.
- As part of the greener city and Low Emissions Neighbourhood (LEN) initiatives A further **60 Electric Vehicle charging points were installed**, of which 21 were retrofitted in lamp columns.
- Following the Grenfell Tower fire, the Department of Communities and Local Government (DCLG) has **established a Building Safety Programme** to ensure high rise buildings, used for residential purposes, are safe in respect of fire safety measures in the event that they have cladding applied to them. Residential Services is working closely with the London Fire Brigade (LFB) to determine what action needs to be taken to mitigate the risk brought about by the cladding.
- Joint visits are being carried out with **London Fire brigade to assess fire risk** at the buildings utilising enforcement powers held by both agencies. From a local authority perspective this will include a housing health and safety rating system (HHSRS) assessment of the common parts of the building including any hazard brought about by the cladding. If necessary, consideration will be given to utilising enforcement powers under the Housing Act 2004 and Fire Safety (RR) Order 2005.
- Successful opening of **New Cavendish Street temporary library** in July 2017.
- **The Registration service launched** online book and pay services transforming customer experience and access to service.



## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>Highways and Public Realm</b>								
1. % of carriageway and footway defects repaired or made safe within 24 hours - P2	95%	95%	→ 98%	→ 100%	<b>98.5%</b> (267/271)	<b>Green</b>	+3.5%	
2. % of urgent lighting defects made safe within agreed timescale - P1	98%	95%	→ 98%	→ 100%	<b>99%</b> (94/95)	<b>Green</b>	+1%	
3. % of routine highway inspections completed in accordance with the agreed inspection frequency	98%	95%	→ 98%	→ 100%	<b>100%</b> (1,176/1,176)	<b>Green</b>	+2%	
<b>Public Protection and Licensing</b>								
4. Number of hazards removed from residential dwellings which pose a serious and immediate threat to people's health or safety	605	400	→ 500	→ 600	<b>189</b>	<b>Amber</b>	+104	
	<ul style="list-style-type: none"> <li>• <b>Service commentary:</b> Officers continue to respond and action service requests to address poor housing conditions.</li> <li>• <b>Mitigation:</b> Performance dashboards are currently not working, so performance data may not be accurate. Officer resource is being utilised in other areas currently including priority checks of high rise residential buildings under Building Safety Programme to check for ACM cladding. This has impacted on service delivery.</li> <li>• <b>Timeframe for improvement:</b> Work by officers to identify and resolve cladding whilst not being directly counted in this indicator, work undertaken will remove a serious hazard from residential dwellings in Westminster. Once the work to remove risk is complete, the levels of hazards removed will increase</li> </ul>							
5. Percentage of women accessing specialist domestic abuse services who report a reduction in abuse	94.5%	67% (2012/13 position)	→ 78% (MOPAC Target)	→ 86% (4yr average)	<b>88% (Q1)</b> (51/58)	<b>Green</b>	N/A	There is a time lag with figures so Q1 results have only just become available.
6. Percentage of licensed premises that are safe and well managed following a single inspection.	75%	65%	→ 70%	→ 100%	<b>86%</b> (204/237)	<b>Green</b>	+2%	
7. Percentage of noise complainants who receive a call back from a noise officer within 45 minutes	97%	-	→ 95%	→ -	<b>99%</b> (4,671/4,718)	<b>Green</b>	+4%	
8. Number of Houses of Multiple Occupation improved (buildings with more than one household including shared facilities)	66	50	→ 65	→ 75	<b>23</b>	<b>Green</b>	+16	

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
9. Number of vulnerable residents supported to continue living in their homes	1397	600	→ 800	→ 1,000	545	Green	+156	
10. Improvement in hygiene ratings for food premises where a revisit has taken place	New target	30	→ 40	→ 50	18	Green	+4	This is a new target and as such there is no previous reporting information
11. Percentage of medium/high risk victims of anti-social behaviour activity that are contacted by the council within 48 hours of referral	Data not available		→ 100%	→	100%	Green	N/A	Processes have only recently been put in place to generate data so there is no historical data prior to Q2.
12. Percentage of total licences issued within 28 days from the publication date of the Licensing Sub-Committee decision.	75%	70%	→ 80%	→ 90%	78%	Green	Stable	Improving performance due to implementation of on line forms and targeted resource
13. Percentage of licensing applications received acknowledged within 2 working days of receipt.	89%	70%	→ 80%	→ 90%	89%	Green	+4%	Improving performance due to implementation of on line forms and targeted resource
<b>Sports and Leisure</b>								
14. Total participation in Council sports, leisure and wellbeing activities	2	3.4m	→ 3.6m	→ 3.8m	1.98m	Green	+1.54m	Overall performance improving and the year-end target is likely to be achieved.
<b>Parking</b>								
15. Ensuring parking compliance across the City is over 97%su	99%	97%	→ 98%	→ 99%	98.64%	Green	No change	Survey taken in Q1. Survey is only undertaken bi-annually.
16. Availability of residents parking in Westminster	Not Available	85%	→ 90%	→ 95%	89.50%	Green	Not Available	New KPI measure to ensure we monitor the availability of Resident parking spaces due to rising number of parking suspensions.
<b>Waste &amp; Parks</b>								
17. Street Cleansing - the street survey score for Litter (% of streets that fail)	1.53%	-	→ 2.00%	→ -	1.59%	Green	+0.19%	

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				

Libraries											
18.	2% increase in real and virtual visits to libraries	2,048,009	Increase by 1% to 2,062,578	→	Increase by 2% to 2,083,412	→	Increase by 3% to 2,104,246	47% of annual target achieved (977,569/2,083,412)	Amber	+2%	
↳	<ul style="list-style-type: none"> <li><b>Service commentary:</b> Visits to libraries are slightly below target partly because there have been fewer activities this year so far than there were last year. The new service model was implemented in April 2017 and the first half of the year has been focussed on staff recruitment and training. Staff training is continuing to focus on the skills needed to deliver activities and recruit and manage volunteers.</li> <li><b>Mitigation:</b> A plan to increase visits is currently compiled. This will include actions to increase the number of events and activities in libraries and recruitment of additional volunteers to support these.</li> <li><b>Timeframe:</b> Plan will be finalised and implementation will start in quarter four with results expected in quarter one 2018/19.</li> </ul>										
19.	Improve customer satisfaction across services to minimum 90% as measured by City Survey, customer surveys and mystery shopping	n/a	85%	→	90%	→	95%	N/A (annual result Q4)	Green	n/a	To be reported at the end of Quarter 4
20.	95% of appointments to register birth of their baby should be available within 5 days of enquiry.	75% (2016-17) (13% for 2015/16)	-	→	95%	→	-	91% (2,053/2,245)	Amber	+10%	Performance in line with other London local authorities.
	<ul style="list-style-type: none"> <li><b>Service commentary:</b> Outturn position for first 6 months skewed by performance of 54% in April, due to reduced appointment availability due to service decant of City Hall to Harrow Rd.</li> <li><b>Mitigation:</b> Monitored regularly, and additional appointments added as required, balancing birth registration against demand for other service and income generation</li> <li><b>Timeframe for improvement:</b> Performance back on track by June 2017 and Q2 outturn position at 100%.</li> </ul>										
21.	95% of appointments to register a death or stillbirth should be available within 2 days of enquiry	95% (89% for 2015/16)	-	→	95%	→	-	97% (489/503)	Green	+0% (static)	Performance in line with other London local authorities.

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Target range definitions <sup>1</sup>	Minimum	Ideal	Aspirational
	The absolute minimum level for the KPI that will still allow the service to deliver	A level which is acceptable for service continuity	The level at which the service is improving beyond current capability

Target assessment definitions <sup>2</sup>	Red	Blue	Green	Amber
	Below / failing to achieve the minimum target level	Achieving above the aspirational target level	On track to achieve between the ideal and aspirational target level	Achieving the minimum standard target tolerance level

The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that thee directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Civic leadership</b>		
Launch a new independent libraries advisory board to build the positive case for the future of local authority libraries, leading the way by setting out plans for a new permanent library at Seymour Leisure Centre	On Track	<ul style="list-style-type: none"> <li>The board and chair have now been appointed and had plenary meeting and first session of evidence-gathering. The appointment of consulting architect is also now in progress and initial soft engagement with stakeholders has begun. Policy &amp; Scrutiny appearances have been programmed for November 2017 and March 2018.</li> </ul>
<b>Building homes and celebrating neighbourhoods</b>		
Champion the 80,000 people who rent privately by making sure homes in Westminster are up to scratch with a city-wide review, using our powers to prevent rogue landlords from exploiting our residents	On Track	<ul style="list-style-type: none"> <li>A stock condition survey of 1,000 properties has been designed and developed, with survey letters due to be issued, and physical surveys to commence. A bid has also been submitted to DCLG under the Controlling Migration Fund to deliver better intelligence on the private rented sector and improved data on conditions. The review of policy is currently underway to include implementation of new housing enforcement powers and a draft policy approved by Legal Services. This is awaiting SMT and cabinet member approval which is expected in November.</li> </ul>
We will also open the new Moberly Leisure Centre, part of a £26m investment providing the best community sporting facilities for Westminster residents	On Track	<ul style="list-style-type: none"> <li>Jubilee phase 1 residential properties have completed and sold with Genesis properties handed over. Phase 1 also includes positive progress with the new leisure facility on the Moberly site. Works are progressing to schedule and significant progress has been made including the completion of the steel structure of the building, internal walls and structures and the 'topping out' of the roof structure to the leisure centre</li> </ul>
<b>Creating a greener city</b>		
At the heart of this will be our new '#DontBeldle' campaign to persuade drivers to make the simple change of turning off their engines when idle. Evidence shows that when we run anti-idling days emissions fall by 20%, we will spread this positive message across Westminster focusing on high-risk areas such as hospitals and schools	On Track	<ul style="list-style-type: none"> <li>The service has now made 7,058 out of 20,000 target idling interventions and the '#DontBeldle' pledge now part of the permit renewal process. Increased deployment of Air Quality Marshals in the second half of 2017/18 should ensure that the target is met. Idling events continue to take place, in addition to the introduction of weekly Roadshows. There has been positive feedback received from both the general public and stakeholders with average of over 1,000 interactions per month. The target of 120 target operation EV charging points has been surpassed with 162 points now complete at Q2.</li> </ul>
Encourage the next generation to create a greener city by rolling out the Daily Mile so that every child who goes to school in Westminster is walking or running a mile every day.	On Track	<ul style="list-style-type: none"> <li>Steady progress is being made with the Daily Mile, with further presentations planned with the Head Teacher's Partnership and PE and School Sport Partnership Meeting next quarter. There are 10 active schools in the programme, with 50% of schools engaged.</li> </ul>
We will also celebrate our 7,000 'Little Green Giants' who take part in the Forest Schools programme, learning about the environment and visiting our open spaces to become the green ambassadors of the future	On Track	<ul style="list-style-type: none"> <li>Forest School participation continues to progress ahead of target. The target should be met by next quarter with 4,907 out of 5,000 target participation at Quarter 2.</li> </ul>

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Maintaining a world class Westminster</b>		
This will include the launch of a pilot for the Westminster Licensing Charter in Leicester Square and Piccadilly Circus, setting clear standards for how we work with the night-time industry to promote responsibility and growth	On Track	<ul style="list-style-type: none"> <li>Westminster has been accepted as a part of the LAAA (local alcohol action area) pilot area. The launch of the pilot took place on 30th October and now businesses will start to formally sign up. However we are already in discussions with businesses and business improvement districts and are confident this is on track.</li> </ul>
Introduce a Gig and Sharing Economy Charter that sets out the standards we expect this growing part of the economy to adhere to in the city.	On Track	<ul style="list-style-type: none"> <li>A draft protocol has been completed and is being reviewed by senior management of service areas involved. The formal protocol is on track for implementation by April 2018.</li> </ul>
This will include scrutinising operators' enforcement of the government's 90-day maximum letting limit with a clear aim to reduce the anti-social behaviour impact it can have on our residents if not properly regulated	On Track	<ul style="list-style-type: none"> <li>Six hotspot areas for ASB related to the gig and sharing economy were identified at the end of Quarter 1. Of those areas only one remains a problematic issue. A high profile case has now been resolved, with notice served requiring Nandos to stop all ancillary take away services (Deliveroo). There is an emerging hotspot at Bickenhall Street in Bryanston and Dorset Square ward, NPSC are working closely with City Inspectors and planning enforcement to resolve this issue. Powers have also been used effectively to tackle four hotspot properties linked to short-term letting this quarter and all have been subject to a warning notice. Three of the properties have heeded the warning notice and the ASB has ceased. The remaining premises has breached the CPN warning notice, and a breach prosecution is in progress.</li> </ul>
Put the first spade in the ground for Baker Street Two Way and Bond Street public realm improvements ensuring the city is ready and looking its best to greet the extra footfall expected in the West End following the opening of the Elizabeth Line.	On Track	<ul style="list-style-type: none"> <li>All public realm schemes that have commenced are on track and on budget for deliver in line with the agreed programmes. <ul style="list-style-type: none"> <li>Baker Street two way public realm</li> <li>Bond Street Public Realm Programme</li> <li>Oxford Street West Programme</li> </ul> </li> </ul>
<b>A smart Council</b>		
Launch a new 'Report It' campaign to predict and proactively deal with developing trends on the day that they are reported to us. We will also use this new technology to enable residents to report on the negative impacts of the gig-economy and flag anti-social behaviour to enable us to focus our enforcement more proactively	Off Track	<ul style="list-style-type: none"> <li>The report it tool for noise complaint is currently in development - user acceptance testing is currently being undertaken. The majority of complaints regarding ASB for gig and sharing economy are related to noise nuisance. This is running two weeks behind schedule with aim to be completed by end of Oct 2017. Reason: Forms more complicated to create than initially though. No major impact on overall delivery.</li> </ul>
Bring forward our one front door programme that will train 100 social workers, librarians and city inspectors to be our eyes and our ears, spotting where vulnerable people may need additional support and taking proactive action. We will work across council services, making sure vulnerable people get the help they need	On Track	<ul style="list-style-type: none"> <li>The library service has committed to training 25 staff in Making Every Contact Count this year. The health co-ordinator has been trained and training will be cascaded to staff beginning in November 2017. City Inspectors training sessions are currently in planning and will be delivered by March 2018.</li> </ul>

## 3.4 Growth, Planning and Housing

### Narrative account of service performance

#### Accomplishments:

##### **New rough sleeper strategy**

In September, the Rough Sleeping team launched the new 2017-2022 Strategy. This document strategy sets out the objectives over the life of this strategy and identifies three key priorities. It sets out the approach the council intends to take in meeting these priorities and provides a detailed action plan outlining the specific actions.

► **Outputs delivered:**

Over 400 responses to our consultation of the strategy received from residents and businesses received; furthermore, all Business Improvement Districts (BIDs) responded in detail to how they envisaged supporting the work we do. There was a breadth of responses that showed the vast majority of the public were supportive of the aims we were setting out and an understanding of the complexities of addressing rough sleeping in central London

► **Outcomes achieved**

This as a 'whole city' approach – for example, making use of existing customer facing staff in Public Protection and Licensing, landowner's private security officers and BID Ambassadors to report rough sleepers and anti-social behaviour associated with this particular client group and being clear that everyone can and does have a part to play in helping us to realise a 'route off the street' for everyone.

##### **New Housing Options contract**

A 'soft' launch of the new Housing Options contract went live on 1<sup>st</sup> October 2017. The new service led by Places for People as the main contractor who will work in partnership with Shelter and The Passage. The service will deliver new ways of working that will enable the necessary channel shift of clients to the new arrangements for accessing more refined pathways depending on their individual needs.

► **Outputs delivered:**

Transformation work underway (restructure completed, new IT system approved) with a focus on a tailored housing options approach for singles and families that better addresses their support needs and priority for housing and the introduction of more self-help tools and digitalization of service.

► **Outcomes achieved**

The formal launch of the service on 1<sup>st</sup> April 2018 is proposed to coincide with the introduction of the Homelessness Reduction Act; demonstrating Westminster's commitment to the new Act and new ways of working. The main objectives of the new service are:

- Co-location of housing options services in key locations (e.g. Family Hubs, libraries and GP surgeries) to enable conversations to start earlier and our partners to be better informed of how housing can work in partnership to resolve issues sooner.
- Greater mobile working, connectivity with other core frontline services and improved digital advice and delivery solutions to better integrate advice services offered by the Council and ensure early intervention and support where possible.

- Shaping a service that is better tailored to deal with single homeless people and families, recognising the different complexities and requirements of each group and incorporating the learning and best practice that is available from partnership working with the voluntary sector.
- Strengthening our procurement of property capabilities to increase supply of affordable accommodation that continues to manage the quality, use and income collection arrangements for our temporary accommodation stock.

### **Sir Simon Milton Westminster University Technical College (UTC)**

Phase 1 of the Sir Simon Milton Westminster UTC was handed over at the end of August on time. The second and final phase of the UTC is also scheduled for 18<sup>th</sup> December 2017 and is currently forecast to be on schedule, with practical completion of the residential development scheduled for Spring 2018.

#### **► Outputs delivered:**

The University Technical College has received its first cohort of 75 students on Wednesday 6<sup>th</sup> September 2017 and the sixth form students also arrived on Friday 8<sup>th</sup> September at the college.

#### **► Outcomes achieved**

The Sir Simon Milton Westminster University Technical College aims to provide a world class education to educate the next generation of 14-19 year olds so they can become engineers, designers and project managers to deliver major 21<sup>st</sup> century infrastructure projects in transport and the built environment.

### **Connect Westminster Scheme (CWS)**

The Economy Team has now connected the first business through the CWS. Through the voucher scheme suppliers are able to offer affordable broadband to all small businesses in Westminster.

#### **► Outputs delivered:**

- The impact of the voucher scheme has been that suppliers are investing heavily in infrastructure within Westminster due to the additional demand stimulation. As a result of this investment the cost of broadband has come down for small businesses. As an example one supplier can serve eligible small and medium-sized enterprises (SMEs) with 100Mbps broadband at £40 per month which is a significant improvement in speeds and costs. As an example the first SME applicant connected has seen a massive uplift in its broadband download and upload speeds. The organisation's download speed has increased from 8.5mbps to 100mbps and the upload speed has increased from 0.3mbps to 100mbps.
- Since the scheme was launched on the 24th August, we have received 82 applications from small businesses in Westminster.

#### **► Outcomes achieved**

Nationally Westminster has some of the lowest superfast broadband availability out of any area within the UK. On national statistics rural Scotland and Wales have higher superfast availability. This project seeks to enable businesses to gain access to affordable gigabit capable broadband a more future proof broadband solution.

## **Risks and Issues:**

### **Meeting Affordable Housing targets**

Whilst the City for All target to deliver 1,850 affordable homes by 2023 is on track, scheme movement continues to affect short term targets.

#### **Impacts and consequences:**

- 50 units have been delivered at the end of Qtr 2 against an annual business plan target of 172.
- Slippage in delivery affects our ability to permanently rehouse homeless households and other households in housing need.

#### **Mitigation and progress:**

- The scheme at Clarges Street, which was originally anticipated to deliver 11 units in 2017-18, was unexpectedly delivered early in Qtr 4 of 2016-17. In addition, 21 units at Queens Anne Gate and Greek Street have slipped into 2018/19
- Significant progress has been made on a number of schemes which will make a major contribution to affordable housing numbers including:
  - o Demolition works have recently completed on a site at Lanark Road, Maida Vale in advance of the commencement of building works to create 67 new homes including 44 affordable housing units together with a sizeable community space (2,400 m2). This new scheme on the site of the former North Paddington Boys Club and Maida Community Centre expected to complete within 18 months is being delivered by Dolphin Living, one of the Council's housing partners. The City Council will have 100% nominations to the affordable homes there.
  - o Topping out on a new development at Westbourne Grove (Westbourne Baptist Church Scheme) being delivered by Dolphin Living has recently being achieved. The scheme will provide 32 intermediate affordable homes, a new church and new library. The Council will 100% nominations to the completed affordable homes there.
  - o Negotiations completed with Linkcity on the Luton Street, which will deliver 62 new affordable homes

### **Providing temporary accommodation for homeless households**

Availability of private sector housing in Westminster affordable to households on low incomes.

#### **Impacts and consequences:**

- The increasing costs of the local housing market, loss of and reduced margins in surplus-making Temporary Accommodation properties, reducing income levels from the government set Temporary Accommodation subsidy regime and the potential impact of the new Homeless Reduction Bill lead to continuing high levels of homelessness (496 households accepted in 2016/17 and a similar rate seen as forecast in the first half of 2017/18) and increased expenditure on Temporary Accommodation (c. £4.7m in 2016/17).



- Supply of private sector housing affordable to households on low incomes does not meet demand, whether for the 2500 units of Temporary Accommodation within the central government set subsidy regime, to prevent homelessness or to deliver discharge of duty into the private sector although over 50 households have moved into the private sector as formal discharge of duty and the Council's investment into the Real Lettings scheme is seeing good quality affordable properties being delivered for discharge of duty
- **Mitigation and progress:**
  - Restructuring the Housing Options Service, implementing a new policy framework to support discharge of housing duty, sourcing additional properties through established contractors, continuing with schemes to purchase properties for Temporary Accommodation, improved financial management information to identify changes in spend profile quickly, identifying new sources of affordable housing and making best use of vacant properties within WCC.
  - In addition, changes within the way Temporary Accommodation is funded through the removal of the management fee payable through Housing Benefit and its replacement by a block grant has led to opportunities identified through in-depth scrutiny of Temporary Accommodation financial management information through period monitoring which means that the overall homelessness expenditure is forecast to be within budget.

### **Risk of fire in council buildings, following Grenfell**

#### **► Impacts and consequences:**

The tower blocks at Little Venice on the Warwick and Brindley estates have cladding similar to that at Grenfell Tower.

#### **► Mitigation and progress:**

- Significant engagement has taken place with residents by CWH and the Council including a bespoke communications plan for residents living in the affected blocks.
- Cladding at Little Venice is in the process of being removed.
- Temporary changes to the fire evacuation procedure are in place at these blocks until the cladding is completely removed and a waking watch has been installed. Once the cladding is removed the 'stay put' fire evacuation advice will once again be in place for the whole building.
- CWH has undertaken a review of its fire safety management systems and will be instigating the following changes:
  - Enhanced risk assessments, moving from a Type 2 to 3, which includes sampling a number of flat doors and flat layouts. Type 4 is currently being used on all blocks over 30 meters.
  - Carrying out independent fire door checks on all blocks above 6 floors.
  - Enhancing fire assessments within street properties and low rise.

#### **► Timeframe for improvement:**

Cladding at Little Venice will be replaced by the end of April 2018

### Standing items of note:

- In September, we celebrated a Topping Out with the highest point being reached at Westminster's **Moberly Sports Centre**. Cllr David Harvey led the traditional brick laying ceremony in partnership with Willmott Dixon Construction and Be. The service is on track to deliver the completion of a 82,000 sq ft brand new sports centre plus 71 homes by May 2018. Phase 1 of the new **Jubilee** sports and leisure facility and associated residential accommodation was also completed in Q2.
- The temporary **Marylebone Library** at New Cavendish Street is complete and in use. The redevelopment of the Farm Street depot is underway and will provide a new depot and 14 flats for intermediate rent in the heart of Mayfair.
- **Affordable Housing:**
  - Demolition works have recently completed on a site at Lanark Road, Maida Vale in advance of the commencement of building works to create 67 new homes including 44 affordable housing units together with a sizeable community space (2,400 m<sup>2</sup>). This new scheme on the site of the former North Paddington Boys Club and Maida Community Centre expected to complete within 18 months is being delivered by Dolphin Living, one of the Council's housing partners. The City Council will have 100% nominations to the affordable homes there.
  - Topping out on a new development at Westbourne Grove (Westbourne Baptist Church Scheme) being delivered by Dolphin Living has recently being achieved. The scheme will provide 32 intermediate affordable homes, a new church and new library. The Council will 100% nominations to the completed affordable homes there.
  - Negotiations completed with Linkcity on the Luton Street, which will deliver 62 new affordable homes
- At **City Hall**, contractors are on site and the new City Hall will be operational from the end of next year.
- The **redevelopment of Council House** is complete. A new lease to the London Business School provides the Council with new income of £1.2m per annum. The school's auditorium will operate as the new Council Chamber and the Registrars have wonderful new facilities and are taking bookings for weddings from January.
- **Enterprise Space.** Somerset House Studios which Westminster City Council supported through New Homes Bonus and Civic Enterprise Funding is now home to 75 artists and over 200+ Makers. The space is celebrating its first anniversary with a number of events.
- **Consultation for the Church Street masterplan** closed on 29th October. A wide range of residents, local community groups, businesses and other stakeholders have responded and this information is all being collated into a consultation report to accompany a Cabinet report for December and will also be utilised to ensure additional information is added into the masterplan document. The masterplan document will also lay out the Council's on-going commitment to engaging with the community as sites within the masterplan, if approved, come forward for development.

- **Scheme specific consultation on Ashbridge and Cosway** was carried out in October and further meetings with community led working groups have also been held. The feedback from these is being considered and the proposal is for a planning application to be submitted at the end of November.
- **Business Improvement Districts (BIDs).**  
Preparation well underway for the upcoming renewal and alteration BID ballots this financial year. The continuation of the four BIDs currently up for renewal will generate circa £37m additional investment in local Economic Development, PlaceShaping/Public realm improvements and business support. The funds are generated via the BID Levy and voluntary contributions from non-Levy payers. Three new BIDs in the pipeline. One at a more advanced stage, Victoria Westminster Partnership, the other two are embryonic. There has also been significant collaboration in place between WCC and the BIDs on employment, enterprise and Place Shaping priorities.
- **Rough Sleeper Count**  
The count in September 2017 found 194 individuals sleeping rough; an 8% decrease from the last count in June, and following the trend seen on the intel counts operated by the outreach teams in July and August (195 and 210 respectively). Whilst we are pleased with the progress made in reducing the number of people rough sleeping across Westminster over the past year – this marked the lowest street count since February 2015 – we hope to see the number drop further by the November count.  
  
There was a small increase in the number of EEA nationals seen, compared to the count in June – up 14% to 50. This was predominantly made up of an increase in Romanian nationals, of whom 15 were encountered, and 8 of those were seen rough sleeping for the first time within two weeks of the count (5 for the first time on the night). The sharpest increase was in the number of Czech nationals, (up from 3 to 7). Of the Czech cohort, 5 have been rough sleeping since 2015 or before – but only intermittently with the exception of one entrenched individual.
- **Development Planning has successfully digitalised its planning function** and recently became the first local planning authority in the UK to send weekly updates to applicants regarding the status of their applications.

## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>				Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight	
		Minimum	→	Ideal	→					Aspirational
<b>Housing Service</b>										
1. No families in Bed & Breakfast for more than 6 weeks [S]	0	0	→	0	→	0	0	Green	No change	<b>Benchmark:</b> At the end of Q4 of 16/17 2,503 h/holds were living in TA in Westminster. Above the London average (of 1,696) and 7th highest amongst all London LAs. <i>Source: Communities and Local Government</i>
2. Reduction in rough sleepers spending more than one night out	New KPI	70%	→	75%	→	80%	75.4% (261/346)	Green	No change	<b>Reporting period:</b> Q1, April - June 2017
3. Tenant Satisfaction with service provided by the Council (Repairs survey figure – new KPI)	TBA	TBA	→	TBA%	→	TBA	Available Q3	N/A	N/A	Due to the change of the major works contractors CWH have no tenant satisfaction data for Q2. Target and performance will be reported in Q3.
<b>Development Planning</b>										
4. % of 'non-major' planning applications determined within 8 weeks [S]	64%	68%	→	68%	→	70%	68% (5,376/7,881)	Green	-14%	<b>Benchmark:</b> At the end of Q4 of 16/17, 72% of minor planning applications were processed within 8 weeks. Below the London average of 79%. <i>Source: CLG</i>
↳	<ul style="list-style-type: none"> <li><b>Service commentary:</b> 7,881 applications determined.</li> <li><b>Mitigation:</b> DCLG have been made fully aware of the issues relating to Planning Digital Transformation which affected planning performance for a temporary period, thereby affecting the average figure for the relevant assessment period.</li> <li><b>Timeframe for improvement:</b> Current performance is well above target although this will not be sufficient to meet the cumulative 2-year target.</li> </ul>									
5. % of 'major' planning applications determined within 13 weeks i.e. larger scale development. [S]	69%	60%	→	60%	→	62%	74% (120/163)	Blue	-26%	<b>Benchmark:</b> At the end of Q4 of 16/17, 100% of major planning applications were processed within 13 weeks. Above the London and inner London averages (of 83%). <i>Source: CLG</i>
6. % planning appeals determined in favour of the Council (Excluding telephone boxes)	65% (216 of 334)	55%	→	60%	→	65%	67% (80/119)	Blue	+4.5%	
<b>Property and Estates</b>										
7. Increase total income generated from the councils investment portfolio	£510,000	£325,000 (6.5% growth)	→	£400,000 (8% growth)	→	£500,000 (10% growth)	£532,000	Blue	+£299,356	<b>Insight:</b> Targets based on assumed levels of leases coming up for renewal.

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				

**Growth and Economy**

8.	New Enterprise Space created	35,100	36,000	➔	40,000	➔	44,000	1,000	Amber	+1,000	
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- **Service commentary:** Paddington Centre soft launch in February 2018 (estimated GIA 20,000 sq ft subject to measurement), Ingestre Court tenant selected space created (GIA 15,000 sq ft), Somerset House co-working space in the process of being commissioned (GIA 6,000 sq ft). Some slippage on timelines due to factors outside of our control.
- **Mitigation:** Delivery will continue into 2018, this is for factors outside of our control e.g. delays of lease completion for Hub Paddington (putting pressure on Taylor Wimpey), Ingestre Court has delays due to surprise general election and halting the project for purdah and the selected tenant construction programme is longer as they need to competitive tender contractors. Somerset House Trust need to secure additional match funding and is subject to Good Growth Fund and WEP funding applications.
- **Timeframe for improvement:** Timelines have shifted to factor in these delays. The Economy Team is committed to delivering the additional square footage.

9.	Connect 1,000 businesses to super and ultrafast broadband	0	300 connected	➔	330 connected	➔	360 connected	1 connected (78 vouchers issued)	Amber	N/A KPI new for this quarter	
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- **Service commentary:** Voucher scheme launched on 24<sup>th</sup> August 2017. To date we have issued 78 vouchers to small and medium-sized enterprises (SMEs). There is a time lag between receiving an application and the SME being connected. If current voucher issue rate continues then over 300 vouchers will be issued by March 2018 but due to the time taken to deliver the connections all the SMEs may not be connected by this date.
- **Mitigation:** The team are working with suppliers to ensure vouchers are processed as soon as possible. We have held sessions with suppliers to increase the quality and volume of applications. Working with the funding body to agree a process for joint application which will significantly increase uptake.
- **Timeframe for improvement:** If we get approval for joint scheme this will improve by next quarter.

10.	Westminster Employment Service will seek to support 500 unemployed residents into work	442	450	➔	500	➔	550	73	Amber	+73	<b>Insight:</b> Expectation that Westminster Adult Education Service contribution to the target would be available. Projecting an additional c200 jobs. <b>Data Quality:</b> Due to their internal reporting cycles this data will not be available until end of October. <b>Reporting period:</b> Detail will be available for Q3 report.
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11.	No. external Apprenticeship opportunities will be created with Westminster based employers.	New KPI	90	➔	100	➔	110	0	Amber	No change	<b>Reporting period:</b> Target relates to the academic year
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- **Service commentary:** Apprenticeship Development Officer started in post in August 2017. The Apprenticeship Growth Plan has been refreshed. An Employer Apprenticeship Breakfast event with Victoria BID took place on 25th October and an employer and provider engagement plan drafted. Some visits to employers have commenced but the employer engagement plan once finalised will drive this programme of work.

<b>Target range definitions<sup>1</sup></b>	<b>Minimum</b>	The absolute minimum level for the KPI that will still allow the service to deliver
	<b>Ideal</b>	A level which is acceptable for service continuity
	<b>Aspirational</b>	The level at which the service is improving beyond current capability

<b>Target assessment definitions<sup>2</sup></b>	<b>Red</b>	Below / failing to achieve the minimum target level
	<b>Blue</b>	Achieving above the aspirational target level
	<b>Green</b>	On track to achieve between the ideal and aspirational target level
	<b>Amber</b>	Achieving the minimum standard target tolerance level

## City For All Tracker

The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that thee directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter										
<b>Civic leadership</b>												
Increase our support for the city's businesses by working closely with our excellent Business Improvement Districts,	On Track	<ul style="list-style-type: none"> <li>Preparation well underway for the upcoming renewal and alteration BID ballots this financial year as follows: <table border="1" data-bbox="1003 475 1751 609"> <thead> <tr> <th>BID</th> <th>Renewal &amp; alteration ballot of results</th> </tr> </thead> <tbody> <tr> <td>PaddingtonNow Renewal</td> <td>10<sup>th</sup> Nov</td> </tr> <tr> <td>Baker Street Quarter Partnership</td> <td>24<sup>th</sup> Nov</td> </tr> <tr> <td>New West End Company Occupier BID</td> <td>15<sup>th</sup> Dec</td> </tr> <tr> <td>Northbank</td> <td>23<sup>rd</sup> Feb</td> </tr> </tbody> </table> </li> <li>The continuation of these BIDs for a further term assuming their ballots are successful will generate circa £37m additional investment in local Economic Development, PlaceShaping/Public realm improvements and business support via the BID Levy and voluntary contributions from non-Levy payers. Three new BIDs are in the pipeline, with one at a more advanced stage, Victoria Westminster Partnership. The other two are behind in development. There is dedicated strategic account management in place via our Business &amp; Enterprise Strategic Manager and the quarterly Cabinet and BID Round Tables are highly regarded.</li> </ul>	BID	Renewal & alteration ballot of results	PaddingtonNow Renewal	10 <sup>th</sup> Nov	Baker Street Quarter Partnership	24 <sup>th</sup> Nov	New West End Company Occupier BID	15 <sup>th</sup> Dec	Northbank	23 <sup>rd</sup> Feb
BID	Renewal & alteration ballot of results											
PaddingtonNow Renewal	10 <sup>th</sup> Nov											
Baker Street Quarter Partnership	24 <sup>th</sup> Nov											
New West End Company Occupier BID	15 <sup>th</sup> Dec											
Northbank	23 <sup>rd</sup> Feb											
Opening our sixth major enterprise space with Hub Paddington	On Track	<ul style="list-style-type: none"> <li>Hub Paddington will open soft launch in February 2018. There have been delays due to factors outside of our control as the slippage has been caused by the time taken to complete on the property. Completion has now taken place which enables the fit out to begin.</li> </ul>										
Ensure there is access to the best local talent to help our businesses grow, through 150 jobs created by Recruit London.	On Track	<ul style="list-style-type: none"> <li>357 jobs have been brokered in Westminster from 63 employers with 112 Westminster residents placed into those jobs</li> </ul>										
We will launch the Westminster Lion Awards to recognise the huge contribution of businesses who employ and invest in apprentices, work with local voluntary groups and improve our environment	On Track	<ul style="list-style-type: none"> <li>The team have successfully negotiated The Goring Hotel as the venue for the launch event. We are Working closely with PPC and Heart of the City colleagues on employer engagement and recruitment including using our business networks to promote and drive attendance to the event.</li> </ul>										
<b>Building homes and celebrating neighbourhoods</b>												
Deliver 1,850 affordable homes by 2023 to give families the chance to lay down their foundations	On Track	<ul style="list-style-type: none"> <li>A total of 50 new build affordable homes have been delivered in Westminster since 31 March 2017 including 12 new affordable homes recently delivered at the Jubilee regeneration scheme in September. In addition, 17 homes have been purchased on the open market for use as affordable housing and works are currently being carried out to these properties to bring them up to letting standard.</li> </ul>										
Open new Moberly Leisure Centre, part of a £26m investment providing the best community sporting facilities for Westminster residents	On Track	<ul style="list-style-type: none"> <li>We are on track to deliver the completion of a 82,000 sq ft brand new sports centre plus 71 homes by May 2018.</li> </ul>										
Invest a new £900k government fund to tackle homelessness before people lose their homes. We will commit to reducing the number of families who become homeless over a three year period, showing early intervention works	On Track	<ul style="list-style-type: none"> <li>A 'soft' launch of the new Housing Options contract went live on 1 October 2017.</li> <li>202 households prevented from being homeless out of a 200 target</li> <li>217 homeless acceptances at Quarter 2 compared to 496 in 2016/17</li> <li>Acquired 35 discharge of duty properties at Quarter 2</li> </ul>										

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Creating a greener city</b>		
Take direct action by refurbishing City Hall to make it 45% more energy efficient and bring forward a new Sustainability Manifesto to set the green agenda in Westminster	On Track	<ul style="list-style-type: none"> <li>Completed decant from City Hall by 1 June 2017</li> <li>Construction phase has begun at City Hall</li> </ul>
Roll out the first green business club across Westminster, making it easier for businesses to make their buildings more energy efficient	On Track	<ul style="list-style-type: none"> <li>First business connected through the Connect Westminster scheme. Supporting a more environmentally friendly city through providing better broadband for at least 1000 businesses to encourage remote and home working.</li> </ul>
Create seven new horticulture hubs, bringing people together in schools and community spaces to grow their own food.	On Track	<ul style="list-style-type: none"> <li>Update will be available at Q3 from Placeshaping team.</li> </ul>
<b>Maintaining a world class Westminster</b>		
Put the first spade in the ground for Baker Street Two Way and Bond Street public realm improvements ensuring the city is ready and looking its best to greet the extra footfall expected in the West End following the opening of the Elizabeth Line.	On Track	<ul style="list-style-type: none"> <li>All public realm schemes that have commenced are on track and on budget for deliver in line with the agreed programmes. <ul style="list-style-type: none"> <li>Baker Street two way public realm</li> <li>Bond Street Public Realm Programme</li> <li>Oxford Street West Programme</li> </ul> </li> </ul>
Along with TfL we will be speaking to residents, businesses and visitors to help us shape the future of the Oxford Street district so that it remains the UK's best known Shopping and entertainment destination	On Track	
Invest a total of £2.1m over the next three years in a new assessment centre to help people off the streets quickly and to make sure that vulnerable people are given targeted support for any drug, alcohol and mental health issues	On Track	<ul style="list-style-type: none"> <li>Completed in Quarter 1 - Assessment centre is open and is now achieving the outcomes set out in the grant.</li> <li>32 people have so far taken up their route away from the street and moved on positively.</li> </ul>

## 3.5 Corporate Services

### Narrative account of service performance

#### Accomplishments:

**Shared ICT Service have provided technology and information management support to the Grenfell relief effort; led the storage and distribution of donations and contributed to the humanitarian response to the tragic event.**

#### ► **Outputs delivered:**

- ICT have provided the technology support needed to enable Emergency response control centre at Portland House, emergency Coroners facility, humanitarian relief centre at Westway Leisure Centre and subsequent relocation to the Curve, 200 additional Grenfell response staff to work from Kensington Town Hall, development of social care systems to ensure co-ordination of Grenfell cases and the securing of data relevant to the police and the Public Enquiry.
- ICT have taken a lead in organising lorries to transport hundreds of tons of donations to locations where they can be sorted and distributed to the victims or sold to raise money. The service has also co-ordinated hundreds of volunteers to support this effort, with members of staff making a significant contribution at the humanitarian relief centre.

#### ► **Outcomes achieved:**

IT enablement of the emergency response to the disaster has ensured that the Council meets the legal requirement of the Grenfell investigations. The logistical support ICT has managed is arguably the largest outpouring of donations in UK history.

#### **Established a procurement trading company**

Developed a traded “procurement consultancy services” through a wholly owned subsidiary of Westminster City Council, to enable us to trade on a commercial basis under the Local Government Act 2003. This traded model allows us to build resilience in to the Procurement Services organisation, providing staff the opportunity to engage in a very different commercial model. Westminster Procurement Services (WPS) was incorporated in 2016.

#### ► **Outputs delivered:**

- A ten-week programme was undertaken to review the Operating Model Review for Belfast City Council (BCC); a significant number of stakeholder interviews took place with both internal customers and subject matter experts. Procurement Services also reviewed Belfast’s policies, processes and systems and held a Procurement Effectiveness Workshop. The Procurement Effectiveness model analysed eight dimensions; with thirty-six sub elements weighted due to importance based on organisational and commercial best practice. This will be followed by a report which will be submitted to the Deputy Chief Executive, BCC. A six-month appointment of WPS resource has also been brought in to manage Belfast City Council’s local Procurement team.



- WPS have agreed the Terms of Reference for a new Working Group to review Belfast contracts and a commercial board agreement to transfer a number of significant projects to Westminster Procurement Services for delivery. These include the management of a programme of activity which is subject to European Regional Development Funding which if not actioned will risk loss of funding and a number of expired contracts.

► **Outcomes to be achieved:**

- There are four different income generating workstreams to the engagement of Westminster Procurement Services. The first stream is the review of the Belfast City Council operating model for procurement which is 100% resourced from Westminster staff. This is a fixed cost assignment and will generate a 100% return.
- The second workstream is the appointment of a Westminster Procurement Services contractor operating as the Senior Manager with “day to day” leadership for the BCC Procurement team at a cost of £117,000 generating a profit margin of 22%. The third workstream, is the delivery of the Sourcing Programme generating up to £200,00 revenue with a profit of 40%.
- Finally, the fourth work stream is the provision of internal procurement support to Manning School which we hope will be the basis for delivering more services to schools.

**Procurement Services have secured 22 contracts which include social value outputs.**

► **Outputs delivered:**

- A Responsible Procurement communications approach is being actioned to engage and inform wider Council teams. We have an agreement with Adult Social Care to commission a trial of a Responsible Procurement approach within their tenders whilst engagement with other Councils is ongoing to understand how we can improve our own Responsible Procurement approach.
- Social Value outcomes are being shared quarterly with departments such as economic development and employment so they can follow-up and offer support to contract managers and suppliers. One of these contracts is an expanded Voluntary Sector support contract which now provides a central co-ordination point for suppliers to better integrate and support the local voluntary sector.

► **Outcomes to be achieved**

- Within the 22 tenders we have achieved a commitment to 32 apprenticeships. The cumulative figure for Q1 and Q2 is 32 and the suppliers who have offered the placements are as follows:

Quantity	Category	Contract Title	Supplier Name
1	Apprentices (Level 2)	Ashbridge Street - Cost Consultant and Employer's Agent	Potter Raper Partnership
4	Apprentices (Level 2)	Lisson Grove Programme - Architect	Ryder Architecture Limited
20	Apprentices (Level 2)	City Hall Refurbishment	ISG

1	Apprentices (Level 3)	Admiral House	Axis Europe Plc
1	Apprentices (Level 3)	Ingestre Court, 47 Old Compton Street and Greens Court	Axis Europe Plc
3	Apprentices (Level 2)	Ebury Bridge multidisciplinary	Ove Arup and Partners
1	Apprentices (Level 2)	Beechcroft Sales and marketing	Jones Lang La Salle
1	Apprentices (Level 2)	Queens park street properties	Axis Europe

### Internal capability programme to support the ongoing delivery of the Leadership Academy in-house.

#### ► Outputs delivered:

- By the end of December 2018, eighteen employees from across the Council will have been trained to facilitate academy sessions in the future. This means from January 1st 2018, there will be a reduction in spend with external training partners. This also provides an opportunity to develop in house skills and capability which will result in our ability to continue to deliver these programmes for new joiners and people promoted to leadership positions within the Council.
- During cohort 1, nine individuals attended with nine attending in Cohort 2. Three is essentially a three-day boot-camp, involving a series of live delivery and feedback sessions. Graduation is anticipated for early December 2017.
- In June 2017, a group of nine people from across WCC services were trained comprehensively to deliver core bite sessions and consequently signed off as accredited facilitators of the Leadership Academy by our training partner organisation.

#### ► Outcomes achieved

Cohort 1 delivered and co-facilitated a number of Leading the Westminster Way sessions which reduced consultant costs whilst developing our Council staff. This ensures better self-sufficiency in the future in running the academy, cutting down costs for external trainers and enabling us to use Westminster employees.

### Managing resources required to provide Legal Services in relation to Grenfell Tower

#### ► Outputs delivered:

- Legal Services immediately prioritised this area and diverted required internal resources to provide legal advice on Grenfell Tower. We provided assistance on governance, information law, property, contracts, housing law and general litigation. Three internal lawyers have been working on Grenfell Tower almost exclusively since June whilst other lawyers have spent a substantial amount of time assisting whilst continuing to maintain a mixed caseload.
- We backfilled internal posts to avoid impact on existing internal clients and managed the delivery of external advice required from solicitors and barristers. Existing clients should not have experienced a diminution in the service with the only visible impact being some lawyers had to transfer cases to others to free them up to concentrate on Grenfell Tower cases.

► **Outcomes achieved**

Legal Services were able to provide a highly responsive service in relation to legal advice on Grenfell Tower.

**Risks and Issues:**

**Major failure of ICT systems**

Westminster City Council continues to be at risk from failure of ICT system disruptions, however this is significantly reduced following decommission of the City Hall legacy datacentre.

► **Impacts and consequences:**

Inability to deliver statutory and non-statutory Council services resulting in significant operational, financial and reputational damage as well as harm or inconvenience to Council service users.

► **Mitigation and progress:**

- Our systems data gathering is now complete. This provides a single repository of all Council systems and data which is being categorised against criticality to Council Services. This will identify high-priority systems.
- The General Data Protection Programme (GDPR) is being mobilised to ensure both boroughs are GDPR compliant by May 25th 2018.
- ICT's health-check procurement process is progressing well and there is a longer term strategic move to cloud-based services to mitigate this further. The Procurement team are developing a Sourcing Strategy which is due for completion by the 31st November.

► **Timeframe for improvement:**

Improvement activity to take place between 31<sup>st</sup> October to 31st December 2017.

**Council is victim of a cybercrime incident**

► **Impacts and consequences:**

Cybercrime incidents may result in system outages rendering front-line Council Services unable to operate, permanent loss of customer data, or personal customer data being exposed to the public and criminals. In each case there would be significant reputational damage, costs to repair systems and potentially fines of up to £500,000 for not adequately protecting customer data.

► **Mitigation and progress:**

- Multifactor authentication (MFA) implementation by 31<sup>st</sup> December 2017 will greatly reduce occurrences of phishing incidents
- Longer term implementation of Windows 10 (targeted to deliver over full year 2019) and cloud-based device management/security (for all devices Inc. bring your own device) to further reduce risk of cybercrime
- Review and agree service levels and backups for each individual council system
- Strong security hygiene policies and user awareness are in place, preventing ransomware (a system created which asks the user for payment to unlock a service on the user's device) which enables the Council's IT environment to be entered through the most common delivery vector, phishing. We are making

employees vigilant through robust awareness campaigns such as the Policy and Communications plan for Q3 and Q4 published by 30<sup>th</sup> September 2017

- Implement strong technology controls including Enterprise Mobility Suite and continue to ensure rigorous patch and vulnerability management to help reduce the likelihood of exploitation
- Enterprise mobility suite including multifactor authentication (MFA) will be implemented by 31<sup>st</sup> December 2017

► **Timeframe for improvement:**

Improvement activity to take place between 31<sup>st</sup> October 2017 to 31<sup>st</sup> January 2018.

### **Accidental or malicious loss of Council data**

Risk of virus/hacking from external sources remains high, in line with the external threat profile.

► **Impacts and consequences:**

- Data breaches could result in harm to one or many Council customers and significant reputational damage may occur resulting in loss of trust in the Council. Fines from the regulator (ICO) may be incurred; whilst there is no fixed fine determined by the ICO and fines are depending on the scale of the incident, recent examples in 2017 involve fines amounting to £270K imposed on Basildon and Gloucester Council
- Prosecution could result from a data breach

► **Mitigation and progress:**

- The procurement for the Council's IT Health-check is in progress with the aim to complete report by 31<sup>st</sup> January 2018. A service governance audit is currently underway, undertaken by Mazers and was completed in October.
- An awareness campaign on data breaches has commenced, starting with intranet posts and drop in sessions. Engagement is being evaluated at this stage via the positive engagement, such as demonstrated by Yammer. We are looking to build on this.
- Publish Information Governance communications and training plans by 31<sup>st</sup> Oct 2017. This is ongoing as part of the GDPR Programme and the general handling of data.

► **Timeframe for improvement:**

Improvement activity to take place between 31<sup>st</sup> October to 31<sup>st</sup> January 2018

### **Issues Influencing sickness data quality**

There are a number of direct and indirect issues which is having an influence on the quality of our sickness data. The 'reason for sickness' box is often left blank by line managers and many choose not to register some instances of sick leave at all.

► **Impacts and consequences:**

Without clear and reliable sickness data the Council's resources and strategy are misdirected by false flags. The absence levels for 2017 are now below half of the figure recorded in 2015 (which was pre-Agresso). Even if a reduction in sick leave is

not attainable and all leave remained constant at the present rate or even increased; the reliable information would allow the Council to forecast and prepare more effectively for the cost of paid sick leave, lost revenue and temporary staff.

► **Mitigation and progress:**

The unfilled box problem has been resolved by making some of the answer sections digitally compulsory. The answer to 'reason for sickness' now defaults to 'accident' with a drop-down menu of numerous other choices. Regarding the omission of data on leavers, a change control has been submitted to BT to get access to all data, including leavers' records to support the dashboards. Additionally, People Services are working in collaboration with the Performance team to build a sickness dashboard which will be launched during Q3 2017-2018.

## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>ICT</b>								
1. No. of major business impact Priority 1 incidents per quarter such as a total loss of network connectivity at a site, the Finance system being unavailable or the inability of Users to log-on to the system,	16	6	→ 3	→ 0	5	Green	No change	
<b>Procurement Services</b>								
2. Service savings delivered (in year)	£5.2M	£1.5m	→ £2m	→ £3m	£241,695	Amber	No change	
								<ul style="list-style-type: none"> <li><b>Service commentary:</b> We are on target to deliver the savings by the end of the financial year; in Q3.</li> <li><b>Mitigation:</b> We have a number of projects including Genito-Urinary Medicine going through the approval process which will deliver savings</li> <li><b>Timeframe for improvement:</b> Q3</li> </ul>
3. Number/ percentage of contracts awarded that include the benefits of Responsible Procurement	48%	85%	→ 90%	→ 95%	83%	Amber	+16%	
								<ul style="list-style-type: none"> <li><b>Service commentary:</b> A big improvement but the cumulative total is brought down by the low result in Quarter 1</li> <li><b>Mitigation:</b> More focus is being put on Social Value through procurement assurance and early engagement by the Social Value Manager to ensure Social Value is included wherever possible</li> <li><b>Timeframe for improvement:</b> Q3 should see an overall result exceeding the target</li> </ul>
4. Number of Waivers of the Procurement Code	58	60	→ 50	→ 40	22	Green	+7	
<b>Legal Services</b>								
5. Achieve an overall client satisfaction level of 65% in 2017 increasing to 70% in 2018 as measured by our customer satisfaction survey and end of matter questionnaires	New KPI	60%	→ 65%	→ 70%	100% (12/12)	Green	+14%	<b>Reporting period:</b> Next update in 2018
6. Meet the agreed time frames for legal cases in each area	New KPI	80%	→ 90%	→ 100%	93% (404/434)	Green	+3%	

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of improvement since Q1	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
<b>People Services</b>								
7. Leadership Academy 1 - Deliver internal capability programme to deliver Academy events.	9	18	→ 24	→ 30	18	Green	+7	
8. Leadership Academy 2 - Ongoing delivery of Leading the Westminster Way and Working the Westminster way; for new leaders and joiners to WCC	78	N/A	→ 2	→ N/A	6	Green	-	
9. Talent Management: All Executive Talent to have a tailored development programme during 2017/2018	N/A	N/A	→ 100%	→ N/A	0	Amber	N/A	
↳	<ul style="list-style-type: none"> <li><b>Service commentary:</b> The talent programmes for Executive and for Rapid High Potentials launched formally on the 2nd November 2017.</li> <li><b>Mitigation</b> All participants will have a comprehensive development plan in place by the end of Dec and the modules of the programme will start in February 2018.</li> <li><b>Timeframe for improvement:</b> This KPI is on target to be achieved with these dates and milestones.</li> </ul>							
10. Ensure staff turnover is managed at appropriate benchmark levels (excluding redundancies)	16%	16%	→ 15%	→ 14%	7.2%	Green	+3.7%	<b>Insight:</b> The turnover for Q1 and Q2 has been 3.5% and 3.7% respectively. This trend continued through the rest of the financial year would give an outturn of between 14% and 15% annual staff turnover.
11. Reduce the number of TACs employed for more than 12 months to no more than 25% of total TACs	24%	30%	→ 25%	→ 20%	27.5% (55/200)	Green	+13.5%	<b>Insight:</b> 40% at Q1
12. Reduce the total population of TACs	236	200	→ 175	→ 150	200	Amber	-16	
↳	<ul style="list-style-type: none"> <li><b>Service commentary:</b> Business partners are working closely with their directorates to help them target TACs numbers (and in particular, long-term and high costs ones) as well as supporting managers on how else they can resource for these skill gaps.</li> <li><b>Timeframe for improvement:</b> By 31st March 2018</li> </ul>							

## City For All Tracker

The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that thee directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>A Smart Council</b>		
Allow residents to keep track of their payments and contacts with the council online through a new 'MyWestminsterAccount' taking the next step in our digital journey by spending money wisely to reduce bureaucracy.	<b>On Track</b>	The launch plan for My Account is being developed. This will include an engagement plan covering members, citizens and other stakeholders with plans also being developed to engage CLT during this phase to further develop solutions.



## 3.6 City Treasurers

### Narrative account of service performance

#### Accomplishments:

##### **Fastest Local Authority to close statement of accounts for 2016/17**

The 2016/17 statement of accounts were closed faster than any of those previously completed for Westminster City Council any other local authority. Additionally the entire suite of revenue, capital and cash budget papers has been prepared and issued for Council on the 8<sup>th</sup> November.

##### ► **Outputs delivered:**

The accounts were completed and handed to the external auditors on the 6th April 2017. This allowed the City Treasurer's department to concentrate on other adding value exercises. This allowed the team to complete the full budgeting process (full financial position) 4 months in advance of last year

##### ► **Outcomes achieved**

- Unqualified audit report approved by Audit and Performance Committee.
- Early closure also allows the department to focus on delivering savings and thus assist with deliverability.

##### **Assistance with the Grenfell tragedy by the City Treasurer's department**

##### ► **Outputs delivered:**

Staff volunteering to assist residents at The West Way Centre and the Portobello Road Post Office on top of existing business commitments – in part made possible by having already closed the accounts early.

##### ► **Outcomes achieved**

Ensuring Kensington residents were provided with a high level quality of service to assist in the aftermath of the incident.

##### **Opportunity to implement a new Enterprise Resource Planning (ERP) system and Managed services model system in conjunction with Royal Borough of Kensington and Chelsea**

##### ► **Outputs delivered:**

Initial soft market testing for of a new Managed Service Provider and related ERP system are currently in progress.

##### ► **Outcomes achieved**

- Opportunities being actively investigated to identify a new ERP system and managed service provider
- Having assessed a number of potential managed service providers a short-list has been developed mapped against the implementation criteria
- Work has been performed to prepare for the transition including the following:
  - In preparation for migration a data cleansing exercise is currently underway
  - A proposal for an appropriate chart of accounts has been scoped and is currently under review
  - An assessment of the return of potential in-house systems is currently underway

## **Risks and Issues:**

### **Reduction in government funding will restrict revenue spending (Financial Management)**

Following the offer of a four year funding allocation in the 2016/17 Local Government Finance Settlement (LGFS), the Council opted to accept this offer in order to gain some level of certainty on future funding and assist in service planning and collaboration with partner organisations.

#### **► Impacts and consequences:**

- By the Council accepting this offer, the Settlement Funding Assessment (SFA) will reduce from £140.57m in 2016/17 down to £119.86m in 2019/20. This will restrict the City Council's revenue spending and impact on the sustainability of services but provide a greater degree of certainty.
- Reshaping and improving council services requires strong financial management skills across the organisation otherwise decisions may be taken which have negative consequences for the Council in later years.

#### **► Mitigation and progress:**

The department is collaborating with strategic leaders to understand the potential challenges and identify savings where possible.

#### **► Timeframe for improvement:**

Budget options for 2018/19 were presented to cabinet on 30<sup>th</sup> October 2017.

### **Fair outcome for the City Council on Business rates appeals**

There has been a Revaluation in 2017. It is expected that a large percentage of Westminster businesses will challenge their 2017 rateable values; with the majority using professional rating agents (around 69% of Westminster businesses challenged their 2010 rateable value).

#### **► Impacts and consequences:**

- Reduction in funding, impact of backdating, localising of Business Rates will increase this risk from 50% to 100% for local authorities.
- Revaluations do not generate additional income at a national level as the government resets the multipliers at a Revaluation to ensure that the overall national NNDR yield remains the same. However at a local level the amount of NNDR yield can increase or decrease significantly at the point of a Revaluation.
- Presently, the Business Rates Retention Scheme (BRRS) requires councils to bear the risk associated with appeals against rateable values in their areas.

#### **► Mitigation and progress:**

The Valuation Office agency has implemented the Valuation Office new "Check, Challenge and Appeal" process from 1 April 2017. The number of Checks and Challenges is so far significantly lower than under the preceding appeals process but, given the adverse comments by businesses and rating agents as to the difficulty of making a challenge (and with a very small number of checks so far received) it is impossible to draw any conclusions as to whether the new process will reduce the ultimate level of NNDR refunds Westminster will have to face. We continue to contribute to national working groups to press for a fair outcome for

Westminster – one which sees it protected from the high levels of refunds caused by Valuation Office errors in their original valuation assessments

► **Timeframe for improvement:**

DCLG have not held meetings of the Systems Design Working Group for some considerable time, and it is unlikely we will see a resolution of the appeals issues Westminster, in particular, faces from this challenge. We have however continued to hold separate meetings and conversations with DCLG and separately hosted meetings to discuss the issue with local authority representative bodies.

Resolution of this issue may take until the next System Reset, currently scheduled for 2020/21 before a satisfactory and full resolution can be achieved.

## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
<b>City Treasurers</b>								
Variance between budget and full year forecast	£17.201m under spend	£0m variance	→ <£5m under spent	→ -	<b>£2.982m underspent</b>	<b>Green</b>	Positive movement	<b>Insight:</b> Moved from an overspend position in Q1 to an underspend in Q2
Variance between capital budget and FY forecast	£23.513m (-15.6% of budget)	-	→ £0m On budget	→ -	<b>£22.294m Positive variance</b>	<b>Green</b>	+18.8%	
% of payments made via Purchase Order	76.90%	96%	→ 98%	→ 99%	<b>99%</b> (3,100/3,130)	<b>Green</b>	+0.6%	
Percentage of council tax collected	96.40%	95%	96.5%	99%	<b>96.5%</b>	<b>Green</b>	+57.4%	<b>Insight:</b> The net Council tax payable this year is currently £92.7m of which £57.8m has been received. The balance owing at the end of September is £34.9m.
Percentage of business rates collected	98.40%	96%	98.5%	99.5%	<b>98.5%</b>	<b>Green</b>	+65.4%	<b>Insight:</b> The net Business rates payable this year is currently £2.225bn of which £1.326bn has been received. The balance owing at the end of September is £0.9bn.
Percentage sundry debtors (more than 1 year old) of total gross sundry debtors	6.2%	20%	5%	0%	<b>11.43%</b>	<b>Amber</b>	-0.69%	<b>Insight:</b> The % of debts has increased slightly but we are still on target for the year end

## City For All Tracker

The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Civic Leadership</b> Businesses employ and invest in apprentices, work with local voluntary groups and improve our environment	<b>On Track</b>	<ul style="list-style-type: none"> <li>Currently 7 trainee graduates in the department. Target is to have 5 formal work based opportunities leading to a qualification.</li> <li>Currently 4 Apprenticeship placements in the department with the possibility of acquiring more during the year. Target is to have 4 staff members to study professional qualifications.</li> </ul>

## 3.7 Policy, Performance and Communications

### Narrative account of service performance

#### Accomplishments:

##### **Corporate Responsibility strategy**

The Council has developed a Corporate Responsibility strategy which includes the partnership with the City of London for extension of their successful Heart of the City programme which supports SMEs to develop their own corporate responsibility. The Council have recruited an officer to support this extension.

##### ► **Outputs delivered:**

This agreement will support up to 30 SMEs during 2018 to develop their own approach to Corporate Responsibility with peer learning sessions, templates and the support of a mentor. The recruitment of the 30 companies has begun.

##### ► **Outcomes achieved**

This programme will support Westminster businesses to make a positive impact in the Westminster Community, supporting companies to set priorities aligned to those of the Council – supporting aspiration, creating great neighbourhoods and improving the Westminster environment.

##### **Controlling Migration Fund – Successful Bid**

We have been successful in its bid to secure £400,746 from the Controlling Migration Fund (administered by the DCLG and the Home Office). The funding is critical as it was identified that our intelligence about rogue landlords has become diluted as our migrant population annually fluctuates and cultural barriers mean our private rented sector intervention services often failed to reach into transient migrant communities

##### ► **Outputs delivered:**

The funding has been awarded to the council for 12 months to build a six-person multi-agency taskforce designed to deliver an intelligence led and collaborative intervention and enforcement model of tackling rogue landlord practices – with a particular focus on unlicensed Houses in Multiple Occupation premises within hard to reach migrant groups. The award payment will be made on 1st December and the project is anticipated to begin in early 2018.

##### ► **Outcomes achieved**

The project team will tackle rogue landlords in a way that does not depend on complaints, but instead uses intelligence to inform operations. This will confront the barriers that have limited our involvement within migrant groups. The team will also provide a point of contact for residents and other parties to increase the dialogue between stakeholders. Our team has been designed so that these methods will integrate into our existing resources and work beyond the duration of this project to drive up standards for the long-term.

##### **#Dontbeldle Campaign Rollout**

Following the campaign launch on 26<sup>th</sup> June, multiple events and efforts have been rolled out to encourage drivers to switch off their engines when stationary.

► **Outputs delivered:**

The #Dontbeldle pledge has now been incorporated into parking service renewals and weekly roadshows for the #dontbeidle campaign have taken place with Air Quality Marshalls engaging with the public to gather pledges in areas of high footfall. Two play street events have now been held at the Marylebone Low Emissions Neighbourhood. We have also organised thought leadership roundtable events to work on further initiatives to improve air quality and we held a successful event at the Conservative Party Conference to launch the ambitions document for the campaign.

► **Outcomes achieved**

There have been an average of 500 additional pledges per week through the parking renewals service. The efforts at the thought leadership events and at conference will form the basis of the Air Quality Manifesto due in Spring 2018 and officers are in the process of developing policy ideas to inform this.

**Risks and Issues:**

**Outlook of Brexit Negotiations**

The slow progress and lack of consensus in Brexit negotiations make a no deal scenario more likely

► **Impacts and consequences:**

- A “no deal Brexit” would create political upheaval and a potential change in Prime Minister or government.
- This would leave the status of EU nationals up in the air. The number of EU nationals that currently work and reside in Westminster makes up a significant proportion of the workforce.
- Lack of financial mitigation from the Treasury may mean that there are further pressures on local government funding and therefore capacity for policy and lobbying

► **Mitigation and progress:**

- The Policy team will be monitoring the convergence and divergence between the sides on the key issues that impact Westminster.
- There will be further work done with central London partners to understand and articulate specific issues relating to Westminster.

**Political uncertainty**

The Government, supported by the Northern Irish Democratic Unionist Party, has a small majority in Parliament. This, along with Brexit, limits the scope of policy and lobbying.

► **Impacts and consequences:**

- A slimmed down policy map and a focus on Brexit for the next parliament could lead to a reduction in lobbying potential for Westminster
- The slight majority will limit the Government's efficacy in dealing with national and local crises such as the lack of supply of affordable housing

► **Mitigation and progress:**

- The Council will pursue an active programme of establishing influence with a broad range of stakeholders
- Policy team members are bringing through original policy ideas for local challenges such as the sub-prime subsidy

## Key Performance Indicators

The table below presents the latest cumulative outturns for Q2 (April – September 2017), unless indicated (see other contextual insight column). The KPIs presented here have been selected to monitor performance against key service activities within the directorate. This does not include CFA delivery which is covered separately in the next section.

Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	Ideal	Aspirational				
<b>Policy, Performance and Communications</b>								
1. Total customer calls answered in 60 seconds by the council (contract agreement)	95.56%	= last year	> last year	+2% on last year	90.75%	Amber	-1.6%	
2. Total customer calls answered in 20 seconds by the Council	84.56%	= last year	> last year	+5% on last year	84.12%	Amber	-2.44%	
3. Less than 4% of calls abandoned	1.63%	<4%	<4%	<3%	3.98%	Green	+1.69%	
4. Number of views on the Open Forum website	New KPI	12,500	15,000	17,500	8,800	Green	N/A	
5. No. of Community engagement / consultation activities	New KPI	TBC	TBC	TBC	Data not available	N/A	N/A	<b>Reporting period:</b> New KPI being worked up, data available from Q3
6. No. of Communications campaigns delivered (bronze, silver, gold) -KPI	New KPI	TBC	TBC	TBC	Results due Q3	N/A	N/A	<b>Reporting period:</b> New KPI being worked up, data available from Q3
7. Value of total grant funding awarded	New KPI	TBC	TBC	TBC	Results due Q3	N/A	N/A	<b>Reporting period:</b> New KPI being worked up, data available from Q3
8. No. of Awards and accreditations	New KPI	TBC	TBC	TBC	Results due Q3	N/A	N/A	<b>Reporting period:</b> New KPI being worked up, data available from Q3
<b>City Survey</b>								
9. Residents feel the Council is making the local area a better place to live	73%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	
10. Residents agree the Council is efficient and well run	73%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	



Key performance indicator	2016/17 position	2017/18 target ranges <sup>1</sup>			Latest Position at Q2	Target assessment <sup>2</sup>	Rate of change since Q1	Other contextual insight
		Minimum	→ Ideal	→ Aspirational				
11. Resident satisfaction with the Council	87%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	
12. Residents satisfaction with registering to vote	92%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	
13. Residents agree can influence decisions affecting local areas	63%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	
14. Residents feel informed about services and benefits	71%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	
15. Residents feel informed about plans for your local area	71%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	
16. Residents have seen the Westminster Reporter	79%	= last year	> last year	+5% on last year	Results due Jan 2018	N/A	N/A	

Target range definitions <sup>1</sup>	Minimum	Ideal	Aspirational
	The absolute minimum level for the KPI that will still allow the service to deliver	A level which is acceptable for service continuity	The level at which the service is improving beyond current capability

Target assessment definitions <sup>2</sup>	Red	Blue	Green	Amber
	Below / failing to achieve the minimum target level	Achieving above the aspirational target level	On track to achieve between the ideal and aspirational target level	Achieving the minimum standard target tolerance level

## City For All Tracker

The table below provides a progress update at the end of Q2 (September 2017) on the measures and milestones aligned to the CFA pledges that thee directorate is directly responsible for delivering on by the end of 2017/18.

City for all Pledge	Delivery Status	Progress update at the end of the quarter
<b>Building homes and celebrating neighbourhoods</b>		
Deliver 1,850 affordable homes by 2023 to give families the chance to lay down their foundations	On Track	<ul style="list-style-type: none"> <li>Collected nearly £7 million in CIL and (2016-17) £34 million in section 106 contributions for affordable housing</li> </ul>
Champion the 80,000 people who rent privately by making sure homes in Westminster are up to scratch with a city-wide review, using our powers to prevent rogue landlords from exploiting our residents	On Track	<ul style="list-style-type: none"> <li>The private rented survey of 1,000 properties is now underway lasting until June, with the first tranche of letters issued to tenants. We have successfully bid for £400k in Communities and Local Government funding. The additional resource will assist with surveys and will provide further recruitment to conduct the surveys. There are plans being prepared for a programme of engagement with private tenants between January and April</li> </ul>
Deliver our Health and Wellbeing Strategy, including redeveloping accommodation for people with care needs to provide extra nursing home places and specialist services.	On Track	<ul style="list-style-type: none"> <li>A review has now been completed which covered the scope of the board, as well as its purpose and membership</li> </ul>
<b>Creating a greener city</b>		
Lead the way in demonstrating how responsible city government can address growing concerns over poor air quality. We will launch our new Clean Air Strategy filled with measures to improve air quality in the city.	On Track	<ul style="list-style-type: none"> <li>The Air Quality Strategy is due by statute at the end 2018. Recruitment is under way for an air quality officer role to support delivery and work will be begin on the strategy in the New Year.</li> </ul>
Bring forward a new Sustainability Manifesto to set the green agenda in Westminster	On Track	<ul style="list-style-type: none"> <li>Three air quality thought leadership events have been organised by the team and an ambitions document was presented at the Conservative Party conference in October. This will form the basis of the Air Quality Manifesto due in Spring 2018. Officers are in the process of developing policy ideas to inform this.</li> </ul>
Build Westminster's reputation as an environmentally friendly city by bringing forward a new Open Spaces and Biodiversity Strategy to make sure the city's green spaces remain world class.	On Track	<ul style="list-style-type: none"> <li>The Open Spaces strategy has now been developed and the consultation has just finished. The findings are being designed and should be ready in the coming weeks</li> </ul>
Create the first new play streets within the Marylebone Low Emission Neighbourhood , where children can enjoy playing without harmful emissions	On Track	<ul style="list-style-type: none"> <li>The first play street took place in May 2017. We have now established two play streets at St Vincent's RC and St Marys Bryanston and one "Community Green Street" on Luxborough Street with the help of local schools and universities. The first Play Street on Enford Street saw over 220 pupils attend on the day. For the most recent Play Street there were approximately the same amount in attendance with over 30 pupils receiving cycle training for the first time at their school and/or learning to ride a bike.</li> </ul>
Roll out the first green business club across Westminster, making it easier for businesses to make their buildings more energy efficient	Off Track	<ul style="list-style-type: none"> <li>This project being run by the Portman Estate, but there are issues with sign up with businesses. We are currently rethinking our approach.</li> </ul>

City for all Pledge	Delivery Status	Progress update at the end of the quarter
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Maintaining a world class Westminster		
Consult on what good growth for Westminster means, asking residents, businesses and all those with a stake in the Consult on what good growth for Westminster means, asking residents, businesses and all those with a stake in the city to contribute to how the City should look in the future	On Track	<ul style="list-style-type: none"> <li>We have consulted the public on what the right kind of growth means for Westminster and we will produce recommendations once the findings have been evaluated</li> </ul>
Set out a clear vision and plan for our night time economy, to promote the interests of residents, businesses and visitors.	On Track	<ul style="list-style-type: none"> <li>Our evening and night time entertainment vision in development and is in the project planning phase. We are working on the development of a vision statement, which will be the precursor to a plan. This is to provide a comprehensive framework for future policy review that sets clear standards for how the council will work with the ENTE industry to promote an even better environment for residents, visitors, businesses and growth. A Direction of Travel paper has been drafted scoping out the forward direction of the project that sets out to achieve a clearly articulated vision and set of ambitions that will inform a future strategy and policy review</li> </ul>
This will include the launch of a pilot for the Westminster Licensing Charter in Leicester Square and Piccadilly Circus, setting clear standards for how we work with the night-time industry to promote responsibility and growth	Achieved	<ul style="list-style-type: none"> <li>The Licensing Charter was launched on 30<sup>th</sup> October 2017.</li> </ul>

Civic leadership		
Our councillors will lead Open Forum events for residents, helping local people make a difference to the community and their neighbourhoods	On Track	<ul style="list-style-type: none"> <li>On October 18<sup>th</sup> Open Forum was held at Westminster Cathedral with over 80 residents attending. On the agenda were housing, highways and planning and The Leader Cllr Nickie Aiken, as well as Cabinet Members Councillors Astaire, Robathan and David Harvey were in attendance. The City Survey results are available in January 2018 which should provide data on: <ul style="list-style-type: none"> <li>Residents feel the Council is making the local area a better place to live</li> <li>Resident satisfaction with the Council</li> <li>Westminster City Council keeps residents informed</li> </ul> </li> <li>In the year to date, there have been 8,800 views on the Open Forum website</li> </ul>
We will launch the Westminster Lion Awards to recognise the huge contribution of businesses who employ and invest in apprentices, work with local voluntary groups and improve our environment	On Track	<ul style="list-style-type: none"> <li>The Westminster Lion Awards took place at The Goring Hotel on 1<sup>st</sup> November. The strategy for the awards has been devised and we are working with Heart of the City to support up to 30 Westminster Small and Medium Enterprises to create their corporate social responsibility strategies.</li> </ul>
Recognise our volunteers during the year through Team Westminster, rewarding their important contribution by giving them time credits which they can spend on learning new skills at City of Westminster College or visiting major London landmarks such as Tower Bridge	On Track	<ul style="list-style-type: none"> <li>The new voluntary sector support service has now been procured and contracts are being finalised with OneWestminster</li> </ul>
Implement the recommendations of our Community Cohesion Commission,	On Track	<ul style="list-style-type: none"> <li>The Community Cohesion Commission Report will be launched in mid-November. The team will be holding a community cohesion summit hosted by the Leader on 29<sup>th</sup> November. During this event we will work with the stakeholders we have engaged up until this point to develop a plan to deliver the recommendations of the commission.</li> </ul>
Launching the 'My Westminster' campaign to celebrate the diversity and vibrancy of our neighbourhoods,	On Track	<ul style="list-style-type: none"> <li>A new communications strategy is being devised that will utilise the community cohesion work. This will further develop how the Council works with residents.</li> </ul>
A new City for All Day to bring people of all backgrounds together and take pride in Westminster	Achieved	<ul style="list-style-type: none"> <li>#MyWestminster Day on 18 June, to bring people of all backgrounds together and take pride in Westminster</li> </ul>

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City of Westminster

## Audit and Performance Committee Report

<b>Meeting:</b>	<b>Audit and Performance Committee</b>
<b>Date:</b>	<b>Thursday 23<sup>rd</sup> November 2017</b>
<b>Classification:</b>	<b>For General Release</b>
<b>Title:</b>	<b>Agreement of Bi-borough Services in Children's Services, Adult Social Care and Public Health</b>
<b>Wards Affected:</b>	<b>All</b>
<b>Financial Summary:</b>	<b>The financial summary will be fully set out in the report to Cabinet</b>
<b>Report of:</b>	<b>Siobhan Coldwell, Chief of Staff</b> <a href="mailto:scoldwell@westminster.gov.uk">scoldwell@westminster.gov.uk</a> <b>Tel: 020 7641 6596</b>
<b>Report author:</b>	<b>Siobhan Coldwell, Chief of Staff</b> <a href="mailto:scoldwell@westminster.gov.uk">scoldwell@westminster.gov.uk</a> <b>Tel: 020 7641 6596</b>

### 1. Executive Summary

- 1.1 This report updates the committee on progress in establishing a bi-borough agreement with the Royal Borough of Kensington and Chelsea for the delivery of Children's Services, Adult Social Care and Public Health. These proposals are being put forward as a result of the decision (made by Cabinet on 27 March 2017) to serve notice on London Borough of Hammersmith and Fulham to terminate the tri-borough s113 agreements currently in place to deliver these services.
- 1.2 Proposed new structures have sought to retain the principles that underpinned the original tri-borough agreement. A summary of the key changes are outlined in the body of this report and have been agreed with relevant Cabinet Members and will be subject to Cabinet approval in December 2017. The structures have been subject to consultation with staff. Considerable effort has been spent mitigating the potential financial impact of the move to a bi-borough service, as well as ensuring that current service provision does not suffer as a result of the uncertainty being experienced by staff.

- 1.3 A plan is in place to ensure a smooth transition so that minimise any risk to ongoing service delivery. The majority changes will 'go live' by 1<sup>st</sup> April 2018. Where this is not the case, there are sound business reasons for this and agreement has been reached with LBHF in respect of timings.

## **2. Recommendations**

- 2.1 That the Audit and Performance Committee:

Notes the progress being made in moving from a tri-borough to bi-borough structure in Adult Social Care, Children's Services and Public Health.

## **3. Reasons for Decision**

- 3.1 In March 2017, Cabinet endorsed a recommendation to serve notice to London Borough of Hammersmith and Fulham (LBHF) to terminate the s113 agreements that have been in place since 2012 to share Children's Services, Adult Social Care and Public Health. LBHF had signalled their intent to withdraw but with no indication of when they would serve notice. In order to reduce the uncertainty for staff and the potential impact this might have on service delivery, Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) agreed to issue termination notices. Both Councils were keen to ensure that new arrangements were in place by April 2018.
- 3.2 Since that time, officers have worked to develop alternative structures which maintain the principles of the original tri-borough proposition of collaborative working and delivering efficiencies through scale whilst retaining sovereignty. New s113 agreements must be established with RBKC, setting out the new sharing arrangements. It is proposed that a small number of services in both Adult Social Care and Children's Services will continue to be shared with both RBKC and LBHF. Endorsement is sought to continue those arrangements.

## **4. Background**

- 4.1 Significant and sustained cuts in local authority funding have posed unprecedented challenges for local government. In response to this, in 2010, LBHF, RBKC and WCC initiated the tri-borough arrangement and agreed to share certain services. The three councils entered into agreements to share staff under s113 of the Local Government Act 1972. This was supported by a comprehensive legal agreement for the sharing arrangements based on a high trust model.
- 4.2 The model for collaborative working provided maximum flexibility for the three Councils to maintain sovereignty. The aim was to enable the three Councils to do more with less, sharing resources and management, and reducing costs whilst improving services. Both WCC and RBKC consider these arrangements to have been an outstanding success based on the significant financial savings the three Councils have achieved as well as non-cashable efficiencies and improvements to the quality of services.

- 4.3 Since entering into sharing arrangements, each council generates an estimated gross average of £14m in annual ongoing savings across the shared services. In addition, working at scale the Tri-borough services have been able to innovate and transform at scale to improve efficiency and quality of services. It is acknowledged that sharing services has not always worked well, but where problems have occurred, the shared service concept has generally not been at the root of the problem and there has been significant learning as a result of these experiences.

## **5. Programme Update**

- 5.1 The following paragraphs outline the key structural changes that will take place in response to the need to withdraw from the partnership with LBHF.

## **6. Children's Services**

- 6.1 Within the Tri-borough arrangements, WCC retained sovereign family services and that will remain the case in the Bi-borough arrangement with RBKC. This includes Early Help, Assessment and the Multi-Agency Safeguarding Hub (MASH), Looked after Children and Leaving Care, Child Protection and Social Work and Clinical Practice.
- 6.2 A number of services that have been tri-borough will become bi-borough. These include the majority of education functions including school standards, school places planning and special educational needs and disabilities.
- 6.3 A small number of services will remain tri-borough and this has been agreed with the cabinet members and leaders of each of the three boroughs. These are services that are generally considered to be performing well and where economies of scale are such that disaggregating teams would render them unviable.
- 6.4 The need to review structures as a result of the move to bi-borough has provided an opportunity to review the location of a number of functions. A bi-borough corporate bi-borough ICT function is now in place so responsibility for children's services ICT will transfer to that team. Likewise, the Bi-Borough Children's finance service will transfer to the City Treasurer's team with effect from 1<sup>st</sup> April 2018.

## **7. Integrated Commissioning**

- 7.1 In a significant departure from current structures, an Integrated Commissioning function is being established. This will bring together commissioners from Adult Social Care, Children's and Public Health. The new team will bring together a range of skills and experience to deliver against an ambitious change agenda to enhance tangible service outcomes and maximise value for money across the three functions.

7.2 Good commissioning is fundamental to achieving effective service outcomes for our residents and by integrating teams in this way, building on the professional disciplines in each of the departments, we will build a sustainable, innovative and efficient function that provides good career development opportunities for our staff.

## **8. Adult Social Care**

8.1 The most significant changes within Adult Social Care are within the senior management team and within non-social work services such as commissioning and finance and operations. The majority of services are already operating on a sovereign basis.

8.2 There will be no changes to the following: care and assessment, learning disabilities, mental health services, hospital discharge, community independence services and all provided services (with the exception of the head of service role that will become bi-borough).

8.3 As with Children's services, a small number of services will remain tri-borough including the sensory services team and some aspects of the safeguarding function including mental capacity assessments and deprivation of liberty. Some finance and IT services will remain tri-borough in the short to medium term including client affairs and payments. It is likely these will become bi-borough over time, but the given the depth of integration in these areas, time and care will be needed manage the transition.

8.4 The remainder of the safeguarding and placements team will become bi-borough, along with a new bi-borough senior management team. The Home Care management team will also become bi-borough as will the transformation team.

## **9. Public Health**

9.1 Public Health will be restructured to become a fully bi-borough service, with its commissioning function integrated into new commissioning team outlined in paras 14-15.

### **HR issues**

9.2 As noted above, the move to a bi-borough service represents a significant restructure of resources across three services. However, in practice, the majority of staff (83% in WCC) will be unaffected. Their employing borough will remain the same as will their job description. Across the two boroughs (RBKC and WCC) approximately 330 staff will be impacted and it is likely that a very small number of those will be displaced.



## **Contracts**

- 9.3 Current WCC practice is to let sovereign contracts. However, there are a number of legacy contracts that were let by one authority on behalf of all three Councils. Therefore, as a result of the decision to exit the Tri-borough arrangements, best practice would be to reissue contracts on a sovereign basis where we have one contract covering more than one participating Council. The aim would be for the terms and conditions to remain the same including obligations for all three Councils to mitigate any risk of a supplier making changes. The Public Contract Regulations 2015 would consider these new contracts and there is a risk that there could be a claim that the Councils are disaggregating spend. There are a number of options available to mitigate this risk and the committee will be updated in due course, once it has been agreed.
- 9.4 Therefore, a Tri-Bi-Borough Contracts Working Group chaired by the Chief Procurement Officer. The Work Group includes representatives from ACS, CHS, Public Health and Procurement Services which have been completing an analysis of contracts in the Councils Contract Register on capitalSourcing. All three services have reviewed all contract data in capitalSourcing and made significant updates to the data in order to understand the impact of the move to Bi-borough. There is now a significant improvement in the quality of data and a focus on understanding the risks and issues. This work will be complete by the end of November. In addition, all three Services are required to ensure that there is sufficient knowledge transfer in the event a Contracts Manager leaves the Council. The Head of Procurement, Hammersmith & Fulham has been fully briefed on the activity.
- 9.5 In total there are 34 live contracts per Contracting Authority where the contract covers more than one participating Council. Discussions are underway to agree how to resolve any issues of concerns and whether a move to sovereign contracts is practical.

## **10. Consultation**

- 10.1 Proposals for new service structures have been subject to extensive consultation with all staff affected by the changes. Consultation has led to a number of changes to structures and final structures were published on 15<sup>th</sup> November 2017.

## **11. Equality Implications**

- 11.1 As with all reorganisations, consideration has been given to whether the changes being proposed might have a detrimental effect on any of the groups of people that are given protection under the Equality Act 2010, either as service users or as members of the workforce. If any detrimental issues have been identified, reasonable attempts must be made to mitigate them. Equality assessments were undertaken of each of the new departmental structures and can be provided on request.

## **12. Legal Implications**

- 12.1 The Public Contracts Regulations 2015 provide that certain agreements between public authorities are exempt from those regulations and therefore the obligation in them to seek competitive tenders for the provision of services.
- 12.2 To qualify for the exemption, the arrangements must; establish cooperation between the public authorities, with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common and which (cooperation) is governed solely by considerations relating to the public interest. It is also a requirement that each of the authorities perform less than 20% of the services on the open market.
- 12.3 To be lawful, cooperation agreements therefore comply and demonstrably so with the restrictions set out above.
- 12.4 The agreements have been structured so as to be bi-borough arrangements but with an option for Hammersmith to join them in due course. This approach allows WCC and RBKC to have agreements in place in time to go live on 1 April 2018. It also allows LBHF to join the arrangements by signing a joining agreement with WCC and RBKC, under which LBHF will be able adopt the terms of the co-operation agreement.

## **13. Financial and Resources Implications**

- 13.1 In agreeing to service notice on the s113 agreement with LBHF, WCC agreed to set aside a small budget to resource the restructure of the services. It is forecast that expenditure will reach c£800k.
- 13.2 It is also forecast that there will be increased revenue costs for each of the boroughs as a result of the new arrangements. Now that final structures have been agreed, cost implications are being worked through.



City of Westminster

## Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	23 November 2017
<b>Classification:</b>	For General Release
<b>Title:</b>	Internal Audit 2017/18 – Progress Report (August to October 2017)
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	The Council's budget
<b>Report of:</b>	Steven Mair, City Treasurer (Section 151 Officer)
<b>Report author:</b>	Moira Mackie, Senior Manager; email: <a href="mailto:moira.mackie@rbkc.gov.uk">moira.mackie@rbkc.gov.uk</a> Tel: 020 7854 5922

### 1. Executive Summary

- 1.1 The work carried out by the Council's Internal Audit Service in the reporting period found that, in the areas audited, internal control systems were generally effective with 16 positive assurance reviews (substantial or satisfactory) being issued in the period, although two limited assurance audits have also been issued since the last report to the Committee.
- 1.2 The follow up reviews completed in the period for ten audits confirmed that the implementation of recommendations has been effective with the majority (90%) of recommendations fully implemented at the time of review.
- 1.3 Internal Audit's performance for the period was slightly below target for two indicators (percentage of audit plan completed and timely issue of the draft report) although it is anticipated that the annual targets will be met.
- 1.4 The Appendices to this report provide the following information:
  - **Appendix 1** Audit reports finalised in the year to date, showing the assurance opinion and RAG status;
  - **Appendix 2** - Additional information on the audited areas;
  - **Appendix 3** - Performance Indicators.

## **2. Recommendation**

That the Committee consider and comment on the results of the internal audit work carried out during the period.

## **3. Background, including Policy Context**

The Council's internal audit service is managed by the Tri-borough Director for Audit, Fraud, Risk and Insurance. Audits are undertaken by the in house audit team or by the external contractor to the service, in accordance with the Internal Audit Charter reported to the Committee in June 2016. Reports on the outcomes of audit work are presented each month to the Council's Section 151 Officer. The Audit & Performance Committee are provided with updates at each meeting on all limited and no assurance audits issued in the period.

## **4. Internal Audit Opinion**

- 4.1 As the provider of the internal audit service to Westminster City Council, the Tri-borough Director for Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this 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.
- 4.2 The results of the audit reviews undertaken in the reporting period concluded that generally systems operating throughout the Council are satisfactory, with 16 positive assurance (substantial or satisfactory) reviews being issued in the period.
- 4.3 Two limited assurance reports have been issued:
  - ASC – Contract Management – Dementia Outreach;
  - GPH – Millbank Estate Management Office (MEMO).

The details of these audits are contained in paragraph 5.1.1. to 5.1.2.

## 5. Audit Outcomes (August to October 2017)

- 5.1 Since the last report to Members eighteen-eight audits have been completed, sixteen of which did not identify any key areas of concern:

<b>Audit</b>	<b>Assurance</b>	<b>RAG</b>
GPH – Total Facilities Management (TFM) Contract Management	Satisfactory	Green
GPH – CityWest Homes – Acquisitions & Disposals of HRA Property	Satisfactory	Green
CMC – Parking Permits	Satisfactory	Green
CMC – Sayers Croft Outdoor Learning Centre	Satisfactory	Green
CT – Procurement Cards	Satisfactory	Green
PH – Supplier Resilience	Satisfactory	Green
PH – Obesity Contract Monitoring	Satisfactory	Green
PH – Commissioning Governance	Satisfactory	Green
CS – Managed Services – Data & Information Security	Satisfactory	Green
Tachbrook Nursery School	Satisfactory	Green
Portman Early Childhood Centre	Satisfactory	Green
St Clement Danes Primary School	Substantial	Green
St Matthew's Primary School	Substantial	Green
Robinsfield Primary School	Satisfactory	Green
Westminster Cathedral School	Satisfactory	Green
QE II Special School	Satisfactory	Green

Further information on these audits is contained in Appendix 2.

### 5.1.1 ASC – Dementia Outreach, Contract Management & Monitoring (Amber)

As reported to the Committee in September 2017, a number of Adult Social Care contracts had been reviewed to determine the adequacy of the contract management and monitoring arrangements. One of the contracts reviewed was the Dementia Outreach service which is a Westminster City Council led contract which has been provided by Housing and Care 21 since 2012. The Outreach service is part of a wider integrated service for people with dementia and is spot purchased within the Borough. There is a separate outreach service contract with Housing and Care 21 within the London Borough of Hammersmith and Fulham. The contract was awarded to Housing and Care 21 in March 2012 with the duration of the contract taking the delivery of the service by the contractor to 28 February 2015. The contract does not include an option to formally extend the contract for any further period of time. The services provided include, but are not limited to:

- Support for those living with dementia;
- Help to access services such as social support and health to support independent living;

- Care planning to ensure that end of life choices are understood and respected; and
- Advice, information and guidance for carers and families.

From 2015, Officers sought a contract waiver from the Council to regularise the contract, and to extend the contract through a Direct Award. However, the contract exceeded the Public Contract Regulations 'light touch' regime of c.£589k, so the contract could not be regularised. This meant that the contract continued under implied terms and conditions. Housing and Care 21 were due to novate the service to Ark Home Care and a waiver to the normal procurement rules was obtained in December 2016 and the arrangements extended until March 2018 to allow the Council to assess the success of the novation. A new contract will then be put in place following the expiry of the waiver through a formal tender process.

Two high, four medium and one low priority recommendations have been made to address the following weaknesses:

- The 'Contract for the provision of services for older frail people with dementia' had expired in February 2015 and formal approval to waive the provisions of the Procurement Code and grant an extension to the contract was not obtained until December 2016; (high)
- The contract had not been reviewed since its original signing, therefore it can be concluded that the following areas surrounding the contract have not been reviewed:
  - The schedule of work provided;
  - That the contract meets the council's priorities, as those priorities change over time;
  - Workforce development; and
  - Value for money.
- Metrics for reviewing the quality of work undertaken by the contractor are outlined within the contract such as number of clients dealt with, number of complaints and the percentage of staff trained in dementia using QCF standards or equivalent training. However, there was no evidence that Adult Social Care monitor the performance of the contractor and therefore it cannot be stated whether poor performance is present or acted upon by the service (high);
- When invoices are received by Adult Social Care, the finance team raise the invoice on the Frameworki system for approval. The invoice amount is then reconciled with the report for the number of clients dealt with and their individual prices charged by Housing and Care 21. However, where discrepancies between amount charged and number of clients dealt with are found, no further action is taken by the finance team to investigate the discrepancies. From the most recent payment run tested, there were four discrepancies ranging from £148.50 to £594 but these had not been followed up and we were unable to confirm whether the planned cost needed amending or if the invoiced amount was incorrect.

The service has confirmed that packages are checked and reconciled before processing the payment to identify discrepancies, but they don't delay payment to avoid cashflow problems for the provider. In most instances, it is the care package on the care management system (Frameworki) that has not been updated as opposed to the provider overcharging the Council. Any discrepancies found which have resulted in an under of overpayment to the provider would be corrected in future payments;

- The contract stipulates that payments should be made to the contractor within 30 days of invoicing. However, from a sample of seven payments, two invoices had not been paid within 30 days. Finance explained that the team was new and some payments were taking longer to be processed although payments associated with purchase orders should be paid within the required timescale;
- Currently, no assurance is obtained that employees used by Housing and Care 21 hold the necessary qualifications to deal with dementia clients. In addition, the quality of the staff who deliver the service is not monitored to ensure that the service they provide is adequate and sufficient to meet the needs of clients.

The service has advised that Commissioning have worked with the provider over the last six months to reshape the service, to ensure that it is strategically relevant, provides value for money, is needs driven, delivers good quality outcomes and prevents the need to access more institutional forms of support. On site visits have taken place, officers have spoken to users and carers, an audit of staff files and customers' files has been completed to provide assurance that the service is good and that staff are trained and qualified to work with this group. The service has stated that contract monitoring is now embedded and they are working with the provider regarding performance management. Metrics and Key Performance Indicators have been agreed and these form part of the contract monitoring arrangements. It has been noted by the service that it is very likely that it will be necessary to make a direct award to ARK for a period to allow a formal procurement of this service to be completed.

#### **5.1.2 Millbank Tenant Management Organisation (MEMO (Amber))**

As previously reported to the Committee, reviews have been undertaken at seven of the Council's Tenant Management Organisations (TMOs). The findings from each of the audit reviews are combined with housing management monitoring information provided by CityWest Homes and a formal 'Five Year Review' Report is issued to each of the TMOs by the Executive Director for Growth, Planning and Housing. As required by their Management Agreement, each of the TMOs has two months to consider the contents of their 'Five Year Review' and to report back to the Executive Director for Growth, Planning and Housing on their acceptance or disagreement with the recommendations made and the proposed implementation timeframes. The TMO Manager and the Resident Engagement & Opportunities Manager from CWH are expected to attend Committee meetings at the TMOs to discuss the

contents of the 'Five Year Review' and to assist them to address the recommendations.

Since the last report to Committee, the final planned review for Millbank Estate Management Office (MEMO) has been completed and issued to the Executive Director for Growth, Planning & Housing. MEMO is responsible for 561 individual flats (250 tenants and 261 leaseholders and their Management Allowance for 2017/18 is £549,823.

Although the TMO had appropriate processes in place in some of the areas reviewed, a consistent theme running through the audit was the gap in staff knowledge of certain policy and procedures. This needs to be addressed by the TMO to ensure a constant and consistent service is provided when key members of staff are aware from the office. Ten high, eight medium and five low priority recommendations have been made to address the weaknesses which are summarised below:

- At the time of the issuing this report, an Improvement Plan agreed by CityWest Homes with MEMO following a review of Governance in 2014 still identified three areas which were outstanding (high);
- The Management Committee have established a Code of Conduct and Confidentiality, to which all Committee members are expected to sign their agreement, although at the time of the audit, not all of the declarations had been signed by Committee members (high);
- Committee meetings open with Declarations of Interests, and persons affected were recorded as leaving meetings for the duration where an interest was pertinent. Committee Members and staff are also expected to sign a Register of Interests and renew this annually. No signed declarations were present for the 2016/17 year, however, a spreadsheet documenting interests was present;
- The Committee minutes demonstrate regular financial discussion in addition to matters discussed in the Finance Sub-committee. However, full financial reports have not been produced regularly, largely owing to changes in the TMO's accounting system. The previous repairs and accounting software were incompatible, requiring significant manual input of figures;
- The TMO does not currently operate with a separate reserve fund, and surplus or reserve funds are held at present within the current account. It was noted that this had been raised as an issue during the auditor's preparation of the Annual Accounts, and the Committee were discussing the creation of a separate reserve fund (high);
- The TMO produced a Risk Register as part of its 2016-2019 business plan. Items contained therein are subject to discussion at Committee meetings, but not formally reviewed at agreed intervals;
- Staff undergo appraisals to judge their performance and set out viable targets going forward, although this is only undertaken annually;
- The TMO does not currently operate a workplace pension scheme, however at the time of the audit it was in the process of establishing one (high;)



- The Annual Satisfaction survey was previously conducted by CityWest Homes and the TMO has not arranged to complete its own survey;
- There is no specific contingency plan for staff illness or absence although staff are able to cover for each other to a degree, and the procedure notes cover some of the key functions in good detail. However, the recent absence of the TMO Director had highlighted that there were a number of areas where staff training was required (high);
- Performance Indicators are incorporated in the TMO's Business Plan however they are not subject to formal monitoring although themes from the performance indicators were seen to be discussed in the meeting minutes;
- Tenancy management arrangements in respect of managing successions and mutual exchanges was generally compliant with procedures. However, improvement is required in the following areas (high);
  - Office management;
  - Surrender of tenancies;
  - Satisfaction surveys;
  - Sheds and non-dwellings;
  - Risk flagging; and
  - Managing introductory tenancies.

It was noted that under the Management Agreement, either MEMO or CityWest Homes can manage major works. CityWest Homes are aware of the risks associated with devolving this activity and, to date, MEMO has not undertaken this role

CityWest Homes are liaising with all of the TMOs on implementing the recommendations identified from the audit reviews and progress will be reported back to future Audit & Performance Committees.

## 5.2 Implementation of Audit Recommendations

Ten follow-up reviews were undertaken in the period (August to October 2017) which confirmed that 90% of recommendations made had been implemented with good progress made to implement the remaining recommendations:

<b>Audit</b>	<b>No of Recs Made</b>	<b>No of Recs Implemented</b>	<b>No of Recs In Progress</b>	<b>No of Recs not yet actioned</b>
CHS – Department Performance Management	5	5	0	0
CHS – School Meals Contract Monitoring	8	8	0	0
CHS – Unaccompanied Asylum Seeking Children	5	5	0	0
GPH – Corporate Property Investment	3	1	2	0

<b>Audit</b>	<b>No of Recs Made</b>			<b>No of Recs Implemented</b>			<b>No of Recs In Progress</b>			<b>No of Recs not yet actioned</b>		
Portfolio												
CMC – Commercial Waste	4			1			3			0		
CS – Procurement Governance	2			2			0			0		
Christchurch Bentinck Primary School	2			2			0			0		
Hampden Gurney Primary School	9			9			0			0		
St Edward’s Primary School	9			9			0			0		
St Gabriel’s Primary School	5			5			0			0		
<b>Total</b>	<b>52</b>			<b>47</b>			<b>5</b>			<b>0</b>		
Priority of recommendations	H	M	L	H	M	L	H	M	L	H	M	L
	4	28	20	2	26	19	2	2	1	0	0	0

Follow up is undertaken when the majority of the recommendations made are expected to have been implemented as indicated in an agreed management action plan. Sometimes recommendations cannot be fully implemented in the anticipated timescales. In these cases, where appropriate progress is being made to implement the recommendations, these are identified as “in progress”. Recommendations will be followed up until all high and medium priority recommendations are implemented or good progress in implementing them can be demonstrated. Where appropriate, the follow up is included in the next full audit of the area.

**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.

## Audits Completed Year to Date - 2017/18

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Children's Services	Departmental Governance (Cfwd from 2015/16)	Green	SUBSTANTIAL	0	1	0	Sep-17
Children's Services	Contract Management – Passenger Transport Contract	Green	SATISFACTORY	0	5	8	Sep-17
Children's Services	St Vincent's Primary School (Cfwd from 2016/17)	Green	SATISFACTORY	0	2	3	Sep-17
Children's Services	St Clement Danes Primary School	Green	SUBSTANTIAL	0	2	2	Nov-17
Children's Services	Robinsfield Primary School	Green	SATISFACTORY	0	2	7	Nov-17
Children's Services	Westminster Cathedral Primary School	Green	SATISFACTORY	0	4	4	Nov-17
Children's Services	Portman Early Childhood Centre	Green	SATISFACTORY	0	2	10	Nov-17
Children's Services	St Matthew's Primary School	Green	SUBSTANTIAL	0	1	5	Nov-17
Children's Services	QE II Special School	Green	SATISFACTORY	0	6	4	Nov-17
Children's Services	Tachbrook Nursery School	Green	SATISFACTORY	0	3	1	Nov-17
Growth, Planning & Housing	TMO Odham's Walk (Cfwd from 2016/17)	Amber	LIMITED	2	10	7	Sep-17
Growth, Planning & Housing	Energy Performance of Buildings Directive (Cfwd from 2016/17)	Green	SUBSTANTIAL/ SATISFACTORY	2	2	1	Sep-17
Growth, Planning & Housing	Lessee Charges (Cfwd from 2016/17)	Green	SATISFACTORY	0	3	1	Sep-17
Growth, Planning & Housing	Gas Servicing (Cfwd from 2016/17)	Green	SATISFACTORY	0	2	1	Sep-17

## Audits Completed Year to Date - 2017/18

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Growth, Planning & Housing	Total Facilities Management (TFM) Contract Management (Cfwd from 2016/17)	Green	SATISFACTORY	2	3	3	Nov-17
Growth, Planning & Housing	Millbank Estate Management Office (MEMO) (Cfwd from 2016/17)	Amber	LIMITED	10	8	5	Nov-17
Growth, Planning & Housing	CityWest Homes – Acquisition & Disposal of HRA Properties	Green	SATISFACTORY	0	3	2	Nov-17
Adult Social Care	Commissioning Governance (Cfwd from 2016/17)	Green	SUBSTANTIAL	0	0	0	Sep-17
Adult Social Care	Commissioning & Contracts – SHSOP (Cfwd from 2016/17)	Green	SUBSTANTIAL	0	0	0	Sep-17
Adult Social Care	Commissioning & Contracts – Disability Connect (Cfwd from 2016/17)	Green	SATISFACTORY	1	1	0	Sep-17
Adult Social Care	Customer Journey (Cfwd from 2016/17)	Green	SATISFACTORY	0	1	1	Sep-17
Adult Social Care	Contract Management – Mental Health Day Services (Cfwd from 2016/17)	Green	SATISFACTORY	1	2	1	Sep-17
Adult Social Care	Contract Management – Carers Hub (Cfwd from 2016/17)	Amber	LIMITED	1	4	0	Sep-17
Adult Social Care	Health & Wellbeing Strategy (Cfwd from 2016/17)	Green	SUBSTANTIAL	0	0	2	Sep-17
Adult Social Care	Contract Management – Dementia Outreach (Cfwd from 2016/17)	Amber	LIMITED	2	4	1	Nov-17
Public Health	Contract Management – GP & Pharmacy Services (Cfwd from 2016/17)	Green	SATISFACTORY	0	2	0	Sep-17
Public Health	Supplier Resilience (Cfwd from 2016/17)	Green	SATISFACTORY	0	2	2	Nov-17
Public Health	Contract Management – Obesity (Cfwd from 2016/17)	Green	SATISFACTORY	0	6	1	Nov-17

## Audits Completed Year to Date - 2017/18

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Public Health	Commissioning Governance (Cfwd from 2016/17)	Green	SATISFACTORY	0	1	1	Nov-17
City Management & Communities	Food Safety (Cfwd from 2016/17)	Green	SATISFACTORY	0	2	2	Sep-17
City Management & Communities	Registrar's Service (Cfwd from 2016/17)	Green	SATISFACTORY	0	3	4	Sep-17
City Management & Communities	Street Trading (Cfwd from 2016/17)	Green	SATISFACTORY	2	5	2	Sep-17
City Management & Communities	Commercial & Domestic Waste Enforcement (Cfwd from 2016/17)	Green	SATISFACTORY	0	5	1	Sep-17
City Management & Communities	Procurement Compliance – Youth Offending Service (Cfwd from 2016/17)	Green	SUBSTANTIAL	0	0	0	Sep-17
City Management & Communities	Libraries – Risk Management	Green	SATISFACTORY	0	2	0	Sep-17
City Management & Communities	Parking Permits	Green	SATISFACTORY	0	3	0	Nov-17
City Management & Communities	Sayers Croft – Outdoor Learning Centre	Green	SATISFACTORY	0	3	1	Nov-17
Corporate Services	Partnership Governance (Cross River) (Cfwd from 2016/17)	Green	SUBSTANTIAL	0	0	2	Sep-17
Corporate Services	HR - Pensions Administration (Cfwd from 2016/17)	Amber	LIMITED	2	0	1	Sep-17
Corporate Services	HR – Payroll (Cfwd from 2016/17)	Amber	LIMITED	9	1	0	Sep-17
Corporate Services	IT – Risk Management (Cfwd from 2016/17)	Green	SATISFACTORY	0	1	0	Sep-17
Corporate Services	HR – Your Voice Survey (Cfwd from 2016/17)	Green	SATISFACTORY	0	1	0	Sep-17

Audits Completed Year to Date - 2017/18

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Corporate Services	Managed Services – Data & Information Security	Green	SATISFACTORY	1	2	1	Nov-17
City Treasurer	Accounts Payable (Cfwd from 2016/17)	Green	SATISFACTORY	0	5	2	Sep-17
City Treasurer	Accounts Receivable (Cfwd from 2016/17)	Green	SATISFACTORY	0	3	1	Sep-17
City Treasurer	Procurement Cards	Green	SATISFACTORY	0	4	1	Nov-17

## Additional Information on Audits (Main report – Paragraph 5.1)

### Public Health:

#### 1. Tri-b – Supplier Resilience

The Council is responsible for commissioning a range of Public Health Services including Sexual Health Services, School Nursing, NHS Health Checks and Substance Misuse. Whilst the delivery of these services may be outsourced, responsibility for the continued provision of them remains with the Local Authority. In the current economic climate, there is an increased risk that suppliers may fail which will have significant implications across the entire supply chain. Local authorities must prepare for business critical supplier failure by identifying operational and strategic interdependencies and areas of reliance between parties, with contingency plans in place to help minimise disruption in the event of supplier failure. This work should be supported by a monitoring process that provides early warning of supplier stress and establishes agreed processes for operating in the event of supplier withdrawal or failure. The importance of contingency planning is especially high where there is a direct link between suppliers and service or policy outcomes.

At corporate level, various documents have been issued in respect of supplier resilience and service continuity including:

- Supply Chain Resilience Shared Service Strategy Statement (2016);
- Service Continuity Plan Template and Guidance;
- How and Why Business Continuity; and
- Strategy for Supplier Resilience (2017).

In accordance with the requirements set out in the Service Continuity Guidance contract managers / service heads are required to assess the criticality of the services provided by suppliers within their area and determine what the priority rating of each service is. The Head of Commissioning (Adult Public Health) explained that the highly critical services within Adult Public Health are considered to be sexual health and substance misuse, but neither of these would fall into the top two priority categories. However, an assessment of service criticality/priority against all Adult Public Health contracts has not been undertaken formally to map all of Adult Public Health services against priority rating in accordance with the Guidance.

As part of a standard procurement process, officers evaluating the bids from suppliers are required to assess the financial stability of each supplier. In addition to the financial stability check, it is recommended that the supplier's business continuity arrangements are considered as part of the procurement process. However, suppliers were not required to submit a copy of their business continuity plans as part of the procurement process.

Through examination of the performance reports and discussion with the Head of Commissioning, it was evident that supplier's performance is scrutinised regularly and collaborative working relationship has been developed to assist the suppliers fulfil their contractual obligations. In addition to the performance data provided by the supplier, the Head of Service also receives alerts from CreditSafe to identify any suppliers that may be experiencing financial difficulties.

Two medium and two low priority recommendations have been made to strengthen controls, which have been accepted by management.

#### 2. Tri-b – Commissioning Governance

The Council's Public Health vision is for all people in Westminster are able to be well, stay well and live well, supported by a collaborative and cohesive health and care system. The Public Health service has five Strategic Goals for 2017-19 are as follows:

- Children having a healthy start;
- Relevant and reliable health information is accessible and digestible which enables people to make informed decisions;
- Ensuring everyone has the opportunity to connect to society and give back;
- By ensuring people in need have access to services to prevent, address or manage key risk factors while ensuring families and society are protected from health harms; and

- Ensuring the physical environment is conducive using place shaping approaches to support healthy choices

The audit findings included:

- The service's Business Plan captures analysis of need and future demand and sets out the outcomes framework and Team Work Plan, defining how the team intends to achieve their objectives. The Head of Commissioning Adults Public Health is currently working on further developing the plan to include objectives, required actions and milestones to facilitate improved progress monitoring. The plan is to be reviewed every quarter with a quarter 1 review undertaken in July 2017;
- A Procurement Assurance Board (PAB) was established in January 2017 to oversee the procurement and commissioning activity across the three Councils (excluding Adult Social Care and Children's Service procurement which are overseen by the Commissioning and Contracts Board (CoCo));
- A Shared Service Procurement Code is in place setting out the framework of procurement and commissioning across the three Councils including approval requirements. Local scrutiny/approval requirements as set out in each Council's constitutions have been incorporated into the Code. PAB makes recommendations to the relevant approving bodies / officers / members in accordance with this Code;
- A pipeline tracker is maintained by the Head of Commissioning and is used to track the contract end date and status of each contract to help ensure that procurement activities are instigated promptly allowing sufficient time for options analysis, consultation and other activities to be completed. The Head of Commissioning also monitors that the gateway process is followed in a timely manner (where this is required);
- In addition to the pipeline tracker, the Head of Commissioning has introduced a project tracker template. A project tracker has been designed to capture an overview of each commissioning project including milestones, summary of work undertaken so far, plan for next period, risks and mitigations, and any decisions required. The project tracker is reviewed monthly by the Head of Commissioning and is used to assess resource requirement as the milestones across projects will assist in identifying any resource pressures. This tracker been piloted for substance misuse and sexual health and there is a plan to roll this out to the other projects;
- The Head of Commissioning attends service team meetings such as Tri-Borough Substance Misuse, Sexual Health & Offender Care Team meetings as well as Public Health Commissioning Team Meetings and provides updates to the services on the commissioning activities that are relevant to each service;
- The Head of Commissioning is also a member of the Public Health management team and reports on progress of commissioning activity to senior management within Public Health.

The audit took into account the various changes that have been introduced in the last 12 months to transform the Commissioning and Procurement function and to enhance the Governance Framework. Some of these changes need time to become fully embedded into both operational and management oversight processes. One medium priority recommendation has been made which has been accepted by management.

### 3. **Tri-b - Contract Management – Obesity Service**

Obesity in year six children is higher than the national average across all three councils. As part of the commissioning strategy an extensive review was conducted to assess obesity services across the three boroughs resulting in a report entitled "Child Obesity Prevention and Healthy Family Weight Services' Review Tri-Borough Public Health Service" being produced. Following a procurement exercise led by Westminster City Council (WCC), a three-year framework agreement, split into two lots, was awarded to MyTime Active with an option to extend for a further year. Both the Royal Borough of Kensington and Chelsea (RBKC) and the London Borough of Hammersmith and Fulham (LBHF) call-off services from the framework contract.

This audit reviewed the effectiveness of the Council's management and monitoring arrangements for this service and the key findings are summarised below:

- No policies or procedures setting out how the obesity contract monitoring processes should be operating were available;



- The three-year contract was originally due to commence on 1st April 2015 but there was a four-month delay and an agreement was reached by both parties that it would take effect from 1st August 2015 until 31 July 2018. This delay allowed the contractor, MyTime Active, more preparation time to engage with prospective schools and other stakeholders outside the school term time;
- Although an Annual Report for the service was available, this only covered the period 2015-2017 and did not therefore cover the final year of the contract;
- The contract management and monitoring arrangements were primarily based on quarterly meetings with the supplier but also included visits to the supplier's premises to examine feedback information from those receiving the service although no record of these checks were maintained;
- The MyTime Active policies and procedures examined during the audit were all out of date and although some had dates for review these had passed without any evidence that they had been checked. Additionally, the complaints document was not personalised and had no forward process for complainants that were still dissatisfied;
- Many of the target numbers for actions and interventions by MyTime Active had not been met at the time of the audit. The Commissioner advised that MyTime Active would get paid 80% for the training and set-up costs under Lot 1 but would not receive the other 20% under Lot 2 where the required number of participants had not been reached because Lot 2 of the contract is based upon 'Payment by Results';
- The contract is being funded from the ring-fenced Public Health budget.

Six medium and one low priority recommendations have been made and accepted by management to strengthen controls in this area.

### **Children's Services:**

#### **4. Schools**

Audits of the Council's schools are carried out using an established probity audit programme, usually on a three-year cycle unless issues dictate a more frequent review. The programme is designed to audit the main areas of governance and financial control. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice. The purpose of the audit is to help schools establish and maintain robust financial systems.

In the reporting period, seven final reports have been issued in respect of school audits:

- St Clement Danes Primary School;
- Robinsfield Primary School;
- Westminster Cathedral School;
- Portman Early Childhood Centre;
- St Matthew's Primary School;
- QE II Special School;
- Tachbrook Nursery.

No significant issues were identified and the recommendations made will be followed up later in the year.

### **Growth, Planning & Housing:**

#### **5. Total Facilities Management (TFM) – Contract Management & Monitoring**

From 1 October 2013 Amey commenced delivery of facilities management services across the Royal Borough of Kensington & Chelsea, Hammersmith and Fulham and Westminster City Council covering approximately 2000 buildings across the three councils. The contract runs for 10 years with an option to extend it by a further three years. The first year's cost was estimated to be £18.4m. Under the terms of the contract, Amey will deliver cost reductions totalling £12.5M over the original ten-year lifespan of the contract. This review considered the arrangements within the Link Team for managing Amey's performance within the shared services Total Facilities Management (TFM) contract. The review did not independently consider or comment on the works undertaken under the contract by Amey, only in so far as issues identified by Link which required action.

The Head of Shared Services Facilities Management leads a staff of 13 in the LINK team whose primary function is management of the TFM contract and ensuring that Amey's performance matches the performance standards set out in the contract. Link's Senior Management Team provides strategic direction to the team, to monitor Amey's delivery of the TFM contract and to identify and manage the risks associated with Facilities Management (FM) across the shared service.

FM services provided under the contract range from building cleaning and maintenance to catering, portage and reprographics with a Help Desk is available 24 hours a day. All jobs are assigned a priority rating by Amey based on the rated urgency of the works/issue reported.

An annual Forward Maintenance Plan (FMP) budget is delegated to Amey and is used to pay for all the minor works (under £5k) to Category 1&2 buildings used in the provision of key Council services with any unused budget rolled forward to the next year. Amey's FMP performance is monitored by Link against 9 KPIs. Link's Projects Managers ensure that Amey applies tendering rules for obtaining competitive quotes and apply Link's agreed governance process for paying Amey for completed project work, while also sample inspecting the quality and value of works performed under the FMP.

The monthly payment to Amey comprise two components, a fixed fee for essential services provided to each borough under the contract. The variable element comprises of works Amey undertakes outside the fixed portion of the service and comprises mainly of minor works (projects costing under £5,000) and direct projects which are requested by Council Officers across the shared services for specific projects. Again these jobs are subject to sample checking by LINK team members.

The audit confirmed that the processes and procedures established by the Link Team for administering controls over management of the TFM contract with Amey are well established and administered by an experienced team of officers who demonstrate a very good knowledge of the service. Link's hierarchal structure with defined levels of authority ensures a good level of control and direction of the team. Clearly defined job descriptions for individual staff members gives an enhanced certainty that Link Officers are aware of their responsibilities within the team. Officers have assigned specialist roles for managing key areas of the contract and Amey's overall performance against the contract, such as project management for works delivered by Amey under the Forward Maintenance Plan and reviewing Direct Client works and monitoring compliance with pro-active landlord test requirements across the three estates (coverage as defined by the contract).

Link reports to the Strategic Operations Board on Amey's performance including the application of financial penalties applicable under the contract as a result of poor performance. A consultant is due to be appointed to review the methodology used by Link's Performance Manager to determine the financial penalties. The Terms of Reference for the consultant have yet to be agreed and at the time of the audit, RBKC's Director of Property Services and Amey's Chief Executive were due to meet to agree the way forward. The findings from the review of the methodology will be taken forward by Link and applied accordingly.

Link's monitoring arrangements have also identified concerns with Amey's management and evidencing of health & safety (H&S) compliance across the three estates. This has led to the appointment of an independent assessor to provide direction on the processes Amey should be following. Due to the importance of H&S compliance it is essential that Link manages Amey's implementation of the findings from the independent assessor in a timely manner ensuring the shortest possible implementation timeframe.

A report produced by Link in December 2016 was presented to the SPB highlighting Amey's historical and current performance problems. As a result of the issues raised, Amey produced a Transition Plan which was finalised in May 2017 to address Link's performance concerns. A Transition Board comprising senior managers from Link and Amey with formal terms of reference provides the governance of and strategic overview for Amey's implementation of the plan. An "Issues Tracker" was set up by the Link's Service Manager who monitors the progress of the compliance and H&S issues raised during their weekly meetings to completion although it was noted that each entry did not have a defined action or a RAG rating applied to it.

Amey co-ordinates meetings of the Buildings User Groups (BUG) for category 1 and 2 buildings across the tri-borough councils. Members of staff can contact their BUG panel member whose details are available on the TFM intranet pages to raise specific concerns. Amey's FM manager responsible for the relevant building attends these meetings so any performance issues can be raised directly. It was noted that the annual Stakeholder Report (issued in December 2016) did not contain implementation dates for recommendations contained in the Report. In addition, it was noted that the Link's Risk Register had not been updated recently and mitigating actions had not been identified in some high risk areas.

The review confirmed that governance arrangements comply with the contract's requirements. Strategic control is delivered via the Strategic Partnership Board (SPB) which meets quarterly. Operational oversight is provided by the Service Operations Board (SOB) which meets monthly. The frequency and composition of board meetings was confirmed through inspection of Board minutes held on Link's SharePoint.

Link's management of both Minor works (under £5k) and projects over £5k is working to the level required. Current project management processes have been developed and enhanced by Link over the last four years of the contract to ensure a good level of governance over projects delivered by Amey. These include quality inspections which have identified issues with the quantity and quality of works undertaken on some jobs. Testing confirmed that value for money is obtained via a tender process where the estimated cost of a project is over £5K. Testing also confirmed that an approved Single Tender Action report is used to justify the reasons where Amey does not obtain more than one tender where a pre-tender estimate of over £5k would normally require three or more bids.

The control over payments to Amey for the fixed elements of the contract are satisfactory however, the payment procedure for the fixed monthly costs revealed issues relating to the change control process which allows alterations to the fixed fee portion of the monthly payment, depending on the levels of service provided by Amey to Council buildings with only 20% of the 196 proposed change requests raised over a fourteen-month period had been reviewed and approved.

The complaint management process is working satisfactorily with complaints tracked and checked by the Performance Manager (PM) to ensure Amey complies with the stated timeframe for acknowledging and formally responding to each complaint. Where Amey fails to adhere to the stated timeframe, the PM calculates a failure rate which is then applied to the weighted KPI score.

Link has developed an escalation process allowing users to progress a complaint if it is not resolved satisfactorily by Amey although the escalation tracker indicated that a number of complaints did not indicate the date that they were closed.

Two high, three medium and three low priority recommendations have been made which are being implemented by management.

### **6. CityWest Homes – Acquisitions & Disposals of HRA Property**

As part of the 30-year Housing Revenue Account (HRA) Business Plan and Asset Management Strategy approved by Cabinet, members approved the disposal of non-performing stock in accordance with the Asset Management Strategy, with approval for disposals delegated to the Strategic Director of Housing and Property. Additionally, it was agreed that capital receipts generated through an active management strategy be ring-fenced to housing renewal and new supply programmes. CityWest Residential, an estate agency that is part of CityWest Homes, have been commissioned to identify non-performing stock and potential acquisitions, with recommendations put forward to the Strategic Director of Housing and Property for approval. At the time of the audit, since April 2016, there have been 17 newly acquired properties and 27 properties were disposed of. The value of newly acquired properties range from £210,000 to £643,000 and the value of disposed properties vary from £265,000 to £620,000.

The main audit findings are summarised below:

- CityWest Homes have procedures on the acquisitions and disposal of properties within the borough which include the roles of Council officers in the process. CityWest Homes also have procedures on steps to follow when acquiring property outside of the Borough. The documents were all last reviewed in 2017;

- Staff employed by CityWest Homes are given the opportunity to declare any potential conflicts of interest at the initial stage of hiring. However, the procedures do not state that staff are required to declare any conflict of interest should they arise in the property transactions they are involved in.
- The HRA Business Plan and Asset Strategy states that "Disposal criteria will also be reviewed annually and, if changes are required, approval will be sought from the Cabinet Member for Housing." However, an annual review of the disposal criteria had not been undertaken;
- The HRA Business Plan and Asset Strategy review in May 2013, found that there was a disparity between the types of housing currently in stock and the type of housing that is in demand. This was used as a basis to form the policy on which types of housing would be disposed of and purchased by the Council;
- The Asset Investment Manager outlines the necessary parameters for new acquisitions to the Building/Acquisitions Surveyor. These parameters include: the size of the unit, the location, the price the property is advertised for in the open market;
- When purchasing a property, a Market Value Report is produced by an independent surveyor to determine the value of the property. A New Supply Property form is then completed by CityWest Homes and sent to the Growth, Planning and Housing Service. Two senior members of staff within the service sign-off the form;
- Once the New Supply Property Form is signed, this is then sent to the Legal Team for review and processing. A CHAPS request form is also sent to Legal to make the payment for the property. The Director of Housing and Regeneration and the signatory from the Legal Team both sign the form to ensure that approval has been granted for the payment to be made. A memorandum of purchase is also attached to this document which is also signed by the Director of Housing and Regeneration and the Legal Team.
- The HRA Business Plan and Asset Strategy sets out the criteria to follow when evaluating which properties to dispose of. A Disposal Decision Assessment is carried out by CityWest Homes and the Disposal Decision Report considers each of the disposal criteria. The Council has two stage of approval for a property to be disposed of. Initially the Director of Housing and Regeneration has to approve for the property to be valued and put on the market and the Director will also then approve the final sale of the property. An independent organisation provides the valuation service under an agreement with CityWest Homes. Once a buyer has been found, a Memorandum of Sale is produced which sets out the conditions of the sale. This is signed by both the Council and the buyer;
- Acquisition and disposal of property is a standing item on the Agenda for the Asset Management Committee. Regular meetings also take place between the Cabinet Member for Housing, senior management at CityWest Homes and the Council - the ALMO Performance, Governance and Strategy Cabinet Member meeting. The meeting gives CityWest Homes an opportunity to update the Council on any developments and a review of CityWest Homes' performance.

Three medium and two low priority recommendations were made to improve controls which have been accepted by management.

### **City Management & Communities:**

#### **7. Parking Permits**

Parking Permits are issued in order to ensure that residents and businesses only park in allocated zones. The use of parking permits allows residents and businesses to hold priority over parking bays and prevents parking congestion. There are a number of different permit types within Westminster City Council (WCC) including:

- Business Permits;
- Councillor Permits;
- Resident Permits issued to Diplomatic Staff/Diplomats;
- Doctors Permits;
- Hospital Staff Permits;
- Resident Permits;
- Skip Licence Permits;

- Teacher Permits;
- Trades Permits;
- Blue Disabled Badges and White Disabled Badges.

In 2016/17 76,393 permits were issued. There are approximately 42,000 parking bays. Consequently, pressure on parking in WCC is high. The cost of permits ranges from £0 for resident low emissions permits to £141 for high emissions vehicles resident permits. The administration of parking permits is managed by an external contractor (NSL).

The Performance of the contractor (NSL) is measured against a set of KPIs to ensure that they are acting in line with the contract and working towards achieving the aims of the service and audit testing confirmed that KPIs were in place and were being measured.

The service has a set of business rules for each type of permit. These set out the objectives of each type of permit and the process for applying for and administering these permits. A review of the Residential Permits Business Rules noted that some areas are out of date.

The process for reviewing applications and issuing permits is dependent on the type of permit. Different permits require different documentation to confirm eligibility. Where a change is required the customer is required to submit a change request and evidence of the change (unless it is a temporary change). Sample testing covered new permit applications, renewal applications and permit changes and reviewed whether in all cases:

- an application form was completed or an online request was received;
- relevant information as per business rules was provided;
- the correct amount was charged as per the charging schedule;
- the details were accurately added to the system; and
- a response was made to the applicant within 3 working days.

There was only one instance of non-compliance identified from the testing and the service confirmed that NSL has a system of spot checks in place by to identify issues like this;

It was noted that permits are not always returned following a change to the permit. The Service Readiness Officer confirmed that it is preferable that the permit be returned and it is written in the conditions but they recognise that a lot of individuals simply throw the old permit away and the system is set up in such a way as that parking officers would easily identify if the old permit was being used on-street via their handheld devices.

Monthly monitoring meetings take place between the Council and NSL with action points identified from these meetings. The NSL monthly spot checks of processing identifies any errors which are fed back to employees. If there are regular issues raised for particular staff members, these are raised in one to ones with staff.

A report from the parking system (Insight) is run daily and payments are separated into payments made for permits and refunds. All transactions are recorded onto a Finance report which is sent to the Parking Commercial Officer for review. Discussions with the Parking Commercial Officer indicated that the details of the reports are used for budget monitoring purposes. A review of 'bounced' cheques and chargebacks indicated that there are not many of either, with the majority being charge backs. A review of the report of all chargebacks confirmed that action is taken when there is a chargeback and where the money is not paid by the customer, the permit is cancelled.

An external contractor responsible for printing and storing permits (MBA). The permits exhibit security features which minimises the risk of them from being copied. No independent physical reviews of MBA's processes are undertaken by the Council.

Three medium priority recommendations have been made to improve controls which have been accepted by management.

### 8. Sayers Croft Outdoor Centre

Sayers Croft is an outdoor learning centre located in Surrey, owned by the Council. The Centre hosts 12,000 visitors annually, from a variety of sources. The majority of visitors to the Centre are from primary schools and activities and facilities provided are aimed at children of this age range. There are 56 acres of woodlands, meadows, ponds and fields, as well as a professional instructor to design the visit, lead sessions and host the stay. The Centre also provides self-contained accommodation on site with classrooms, internet access, laptops and projectors available to use in the dormitory classrooms. The Head of OLU reports to the Director of Community Services.

The 2017/18 fee schedule for the Centre has been approved by Cabinet. Fees vary depending on week, type of School (Westminster or out of borough), and whether the booking is full or half-week. From a sample of five weeks, it was confirmed that the fees charged were in accordance with the approved schedule.

The Centre regularly asks Schools whether the experience was value for money and uses this information to assess its fee levels. Furthermore, the Centre is currently conducting research on customer retention rates to identify any trends. However, beyond this, competitive market analysis or benchmarking has not been performed for at least the past five years.

Bookings are reviewed by the Deputy Head along with the Admin Assistant responsible for making bookings every two months.

The Centre has recently introduced a tuck shop to generate income. Cashing up occurs daily at the end of each shift, and the money is stored securely. Cash is re-counted and reconciled to the cash till receipt total the following morning by the admin staff, however, records are not kept and as such, we were not able to verify that reconciliations took place. In addition, there are currently no stock takes to confirm that depletion of stock is in line with income received.

The Centre has access to the Council's Financial Regulations. It also has its own local financial procedures which are largely in line with the Council's procedures, however, we were informed that there are minor gaps that are currently being addressed to bring them in line with the Council's processes.

Clear audit trails were available for income records and income due to the Centre is monitored regularly and outstanding income chased appropriately. Outstanding debt is reported through period end processes and escalated through the City Management & Communities financial monitoring arrangements and management channels.

Expense claims were authorised by a manager, and all had valid supporting receipts and the purchasing process had an adequate separation of duties between placing the order, approval, goods receipt and payment. Testing identified one expenditure transaction which was over £10k relating to planned repairs and maintenance where no evidence was provided that two additional quotes had been obtained.

There are two Purchasing cards on-site used by the Head and Maintenance Manager. Purchases are reported through the card provider and transaction reports are independently reviewed.

The Centre was recently assessed and certified as compliant with Occupational Health and Safety Assessment Series (BS OHSAS 18001) in April 2017. The Centre holds various activities such as high ropes. Activities are risk assessed and safety guidance procedures are accessible to staff and guests on the website via logins. The Centre has also been accredited with a Quality Badge by the Council for Learning Outside the Classroom (LOtC) which covers both learning and safety and is valid until February 2019. All staff are required to be DBS-checked within the past three years and sample testing confirmed that this requirement was complied with. Regular performance management meetings take place between the Head and Director of Community Services with meetings minuted and actions recorded appropriately.

Three medium and one low priority recommendations were made to enhance the controls at the centre which have been accepted by management.

### **City Treasurer**

## 9. Procurement Cards

Procurement cards are designed to facilitate purchases where it is not reasonable or practical to raise purchase orders through Agresso, for example purchases not available as catalogue items or the supplier is not set up with a contract because the purchases made by the Council are too small and ad hoc to merit a procurement. It is expected that goods /services purchased will be low in value. Card limits are set individually, according to the request set out in the card application form which is approved by the individual's budget manager. Procurement cards allow the Council to purchase high volume, low value goods and services with relatively low risk and reduces the number of small value invoices received by suppliers as well as reducing the number of personal expenditure claims from staff.

Currently the Council has approximately 295 active procurement card users. Expenditure on procurement cards during the 2016/17 financial year totalled £843,396 against an overall Council spend via Agresso of approximately £850 million. As expenditure is retrospectively approved by budget managers, cardholders need to ensure that any spend incurred is in accordance with the Council's rules and regulations.

The audit identified that the Council's Procurement Card Policy had not been updated since 2013. In addition, there is no feature as part of the Council's leavers process to notify the Procurement Card Team so that they can ensure that any procurement cards can be cancelled in a timely manner.

Compliance by cardholders for submitting monthly returns and coding expenditure by the due date was good. A quarterly audit is completed by the Procurement Card Team to ensure that cardholders are compliant with procedures although this was only completed twice last year due to pressure on resources. On a periodic basis, a checking exercise is completed to review the cardholders and how much each cardholder is spending on an annual basis. The review includes details of whether a card is necessary for some cardholders. From the sample of cardholder transactions reviewed one cardholder was identified as not having used their card in the past 12 months and the card was cancelled as a result of this finding.

Four medium and one low priority recommendations have been made to strengthen controls which are being progressed by the Procurement Card Team.

## Corporate Services

### 10. Tri-b – MS – Data & Information Security

The Enhanced Intelligent Client Function of the BT Shared Service (representing LBHF, RBKC and WCC) commissioned this audit of the BT Shared Service Centre (BT SSC) to test the adequacy of its systems, procedures and employees with respect to their capacity to protect BT and the Councils from data breaches. The audit was prompted by: data breaches at the BT SSC arising out of its processing of personal data; the responsibility of the councils to ensure that BT is taking reasonable steps to comply with the security measures that it is required to have in place both by its contract and current legislation; and as part of the Councils' preparation for the implementation of the General Data Protection Regulation in May 2018.

Under the terms of the Framework Agreement with BT, the Councils are the Data Controllers and BT is the Data Processor. Data Controllers are responsible for ensuring that their processing complies with the Data Protection Act whether they do it themselves or engage someone to do it on their behalf. The Information Commissioners Office (ICO) and the Government have indicated that it is likely that the UK will retain provisions equivalent to the GDPR in whole or in part following Brexit. The Data Protection Bill, which has recently been introduced in September 2017, will assist with this alignment. However, organisations will need to comply with the EU legislation for so long as we remain members after May 2018.

One major area of change within the GDPR is the requirement that data controllers and data processors will both be responsible for being able to demonstrate compliance with the new standards. Under DPA, controllers are generally held responsible and liable for the actions of those who they select and appoint to process personal data on their behalf and there is much evidence of controllers being fined for breaches emanating from their processors. This changes under GDPR, with processors now also being responsible and accountable for compliance and subject to regulatory action. So a data processor must be sure that a

data controller instructing it to process data has lawfully obtained the minimum of personal data for specific, explicit purposes. This liability will certainly encourage processors to perform enhanced due diligence of controllers prior to taking on work, and will also require the review and update of existing contracts in the areas of warranties and indemnities.

The ICO can issue monetary penalties and has done so in the cases of a number of local authorities. The ICO can also issue enforcement notices requiring an organisation to stop doing something or requiring it to take steps to comply with the law. The changes that will be enforceable under GDPR for non-compliance will see fines increasing to a maximum of €20 million or 4% of annual global turnover – whichever is larger.

### **Information Security Management System (ISMS) Review**

BT SSC confirmed that they have a comprehensive ISMS / Security Management Plan and this is supported by a recently updated audit of its ISO27001 Certification which occurred in February 2017. The ISMS is regularly updated and an action plan has been created by the Information Security Manager to ensure that meetings with internal key staff occur and produce the required evidence to demonstrate compliance with the standard.

For its externally hosted IT infrastructure, BT SCC utilise a 3rd party agreement with another company who are a specialised global full service technology solutions provider who host an ISO27001 certified, tier 3 compliant Data Centre.

Technical security measures to protect computerised information are of obvious importance, however, it is important to note that many security incidents relate to human error, the theft or loss of equipment, or to old computers or hard-copy records being abandoned. We verified that the level of physical security was acceptable at both BT SCC office sites that we visited in South Shields.

### **Standard Operating Procedures (SOP) & Local Working Instructions Review**

During the course of our meetings on site, we reviewed a number of Standard Operating Procedures (SOP's) and Local Work Instructions (LWI's) and confirmed that they adequately addressed confidential data and personal data security. We identified that SOP's are used as a high level process map and LWI's are more of a user guide or step by step process list for staff to follow. It was clear that there was a very good understanding of the guidance available and it was commented upon that during training events lessons learned are incorporated to demonstrate the importance of utilising standard processes to minimise potential breaches. However, we were informed that there was currently no LWI for the payroll process.

### **Employee Understanding and provision of training / guidance.**

Whilst interviewing staff and conducting our visit, we confirmed that a very good level of training and guidance is provided to all staff, around data privacy issues. Bespoke training sessions have been facilitated and data breaches and the management of process reviews are all a key part of this training.

The ICO details the importance of staff understanding their roles and responsibilities around protecting personal data and links it to Principle 7 of the Data Protection Act.

Mandatory induction training is provided with training tailored to specific levels depending upon the roles of the new starter. We noted that the training is regularly updated and recent incidents are discussed to ensure that staff are aware that issues can occur in their area and that lessons have been learned regarding incidents and updates to local processes and procedures to help ensure that repeat incidents do not occur. Approximately 115 staff have been trained. Mandatory BT refresher courses on Data Protection and Information Security are enforced for all staff every 12 months. The training material used is a condensed version of the induction training, but utilises up-to-date details around recent incidents.

### **Review of Data Breach Management**

It is important to note that, although the Councils utilise the services of BT SCC as a third party data processor in order to process personal data on their behalf, the Councils will be held accountable (and not BT SCC as the data processor) under the Data Protection Act, for any issues that arise should a breach of the regulations in respect of personal data occur.



We reviewed a sample of 4 recent breaches that have occurred during the current contract, to establish how each breach was identified and what analysis was undertaken to identify the root causes of the breach. We also reviewed what corrective action was taken to prevent similar breaches from recurring and what action was taken to apply lessons learned from the breach. This involved the review of processes and implementation of new working practices or temporary solutions. We were advised that all recommendations made as part of the incident investigation process for the samples reviewed had been implemented although two issues were identified which needed additional action:

In response to the recent data breaches, a new process and template has been developed by BT SCC to capture information from multiple locations and hold it centrally within the ServiceNow system - the helpdesk facility which is used for logging first contact issues. This facility is now utilised to convert calls into an incident which is assigned to an individual as manager and all actions are auditable. The system ensures that specific key fields are mandated as required, in order to standardise the reporting, this includes the option of a specific security incident tick box. There currently isn't a meeting that includes both sides to discuss issues in an open and clear forum and it was identified that the key line of communication regarding the specifics of each historic data breach investigation had been reduced to email / telephone conversations, rather than a jointly managed work stream and we noted that communication during recent incidents hasn't gone smoothly and both sides have indicated that the investigation and reporting process isn't as cohesive as will be required under the strengthened GDPR requirements. It is vital that an agreement is reached that facilitates the regular update and reporting of security breaches which meets the requirement of the contract and provides both parties with a means ensuring that the causes of those breaches are understood, resolved and embedded in policies, systems and procedures. BT SCC have recently undergone a significant reorganisation of its departments and key management contacts and responsibilities have changed. We were advised that the main reason that this had been implemented was to assist the organisation in breaking down silos and helping to bring the team together.

The ICO have provided updated guidance on the use of Privacy by design – which promotes the use of privacy impact assessments for major changes in service/process design to ensure that privacy and data protection compliance are considered at the outset of a project and not added afterwards. We were informed that only one major change in service design had occurred in the last year, and this was in specific response to information security requirements to ensure that the organisation no longer recorded credit card details of citizens. A service provided by a third party utilising a system for acceptance of credit card payments has been implemented.

Currently, organisations are not mandated to report certain kinds of Data Breaches. However, the GDPR will introduce a duty on all organisations to report certain kinds of data breach to a relevant supervisory authority, and also in some cases, organisations will be required to notify the individuals affected. Notification to the relevant supervisory authority will only apply if a breach is likely to cause a risk to the rights and freedoms of individuals. If unaddressed such a breach is likely to have a significant detrimental effect on individuals. This has to be assessed on a case by case basis. Breaches can be more than simply losing personal data; the ICO definition also includes a breach of security that leads to the destruction, loss, alteration, unauthorised disclosure of, or access to, personal data.

One high, two medium and one low priority recommendations have been made to improve controls in this area which have been agreed for implementation.

## Performance Indicators 2017/18

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

Performance Indicators	Target	Actual	Comments
<b>Delivery</b>			
Percentage of audit plan completed YTD (Month 7) Full year target = 90%	54%	47%	Below target - a number of audits due to be issued with some delays in final aspects of the fieldwork which is being addressed.
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	86%	Below target – focus on improvement in this area.
Percentage of audits finalised within 10 days of a satisfactory response	95%	100%	
Percentage of jobs with positive feedback from client satisfaction surveys	90%	100%	19 received average score 4.2 (where 5 is the top score)
Percentage of recommendations implemented or in progress	95%	100%	YTD 122 out of 122 recommendations.



## Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	Thursday 23 <sup>rd</sup> November 2017
<b>Classification:</b>	For General Release
<b>Title:</b>	Counter Fraud 2017/18 – Progress Report
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	The Council's budget
<b>Report of:</b>	Steven Mair, City Treasurer (Section 151 Officer)
<b>Report author:</b>	Andy Hyatt, Tri-borough Head of Fraud email: <a href="mailto:Andrew.hyatt@rbkc.gov.uk">Andrew.hyatt@rbkc.gov.uk</a> 020 7361 3795

The Audit and Performance Committee's Terms of Reference require that the Committee receive reports on internal and external fraud investigated by the Council. This report is intended to brief members of the Committee in respect of work undertaken by the fraud service during the period 1 April 2017 to 30 September 2017.

**FOR INFORMATION**

### 1. BACKGROUND

- 1.1 This report provides an account of fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2017 to 30 September 2017.
- 1.2 CAFS remains a shared service covering three Councils and continues to reap a number of benefits including the sharing of skills and expertise, a "compare and contrast" review to identify the best practice and the streamlining of anti-fraud related policies and procedures.
- 1.3 CAFS continues to provide Westminster City Council with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.

## 2 FRAUD SAVINGS

- 2.1 Each year the notional values used to determine financial savings arising from counter fraud work has reinforced the importance of tackling fraud head on, particularly in a time when every penny should be invested in delivering high-quality services to local people.
- 2.2 Due to the successes experienced by CAFS, the notional figures have risen year on year with estimated savings for the financial year 2016/17 more than £4.5m. Although this is a substantial saving, it is also one that is predominantly notional and makes it difficult for CAFS to demonstrate a cash saving.
- 2.3 It was, therefore, our objective at the beginning of the financial year to try and establish values that are aligned to actual savings, rather than just notional amounts or "worse case scenarios." For example, research has determined that the average cost (i.e., what the Council pays), per annum for maintaining a family in temporary accommodation is £3,917. This is a real cost and a more realistic and justifiable amount for us to base our calculations on than the £18,000 per case per annum previously quoted by the now-defunct Audit Commission.
- 2.4 A new range of fraud values for 2017/18 has been revised to what we believe is a more appropriate saving per fraud type. As a result, there is a significant difference in notional fraud savings in the current period when compared to those made in the same period of the previous financial year, particularly in respect of housing, tenancy and right to buy frauds.
- 2.5 Details of the CAFS revised fraud values in these areas are contained in Appendix 1 to this report.
- 2.6 As shown in the table below, for the period 1 April 2017 to 30 September 2017, anti-fraud activity with a notional value of approximately £300,000 has been identified. Due to the recalculation of fraud values, this figure is significantly lower than that reported for the same period last year (£2.2m). However, it should be noted that the number of successful fraud cases has increased.

<b>Activity</b>	<b>Fraud proved 2016/17</b> Half year	<b>Fraud identified 2016/17</b> (£'s)	<b>Fraud proved 2017/18</b> Half year	<b>Fraud identified 2017/18</b> (£'s)
Housing Fraud (inc. Applications, assignments & successions)	3	54,000	8	47,344
Right to Buy	13	1,350,700	24	62,670
Advisory Report	1	-	3	8,000

<b>Prevention subtotal</b>	<b>17</b>	<b>1,404,700</b>	<b>35</b>	<b>118,014</b>
Tenancy Fraud (CWH and Registered Providers)	10	580,000	13	80,100
Equity Loan Fraud	-	-		-
Internal Staff and Other Services	7	73,159	7	17,694
Disabled Parking	15	70,203	11	36,231
Resident's Parking	16	82,210	32	35,945
<b>Detection subtotal</b>	<b>48</b>	<b>805,572</b>	<b>63</b>	<b>169,970</b>
Proceeds of Crime (POCA)	4	49,477	2	11,486
Press releases and publicity	1	-		-
<b>Deterrence subtotal</b>	<b>5</b>	<b>49,477</b>	<b>2</b>	<b>11,486</b>
<b>Total</b>	<b>70</b>	<b>2,259,749</b>	<b>100</b>	<b>299,470</b>

2.7 Details of noteworthy cases are reported in Appendix 2.

### 3. WHISTLEBLOWING

3.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern that they believe they cannot discuss with their line manager.

3.2 Since April 2017 CAFS has not received any whistleblowing referrals (as defined in the policy) although one case referred during 2016/17 financial year remains an on-going investigation.

### 4. ANTI-FRAUD AND CORRUPTION STRATEGY

4.1 The Council's Anti-Fraud & Corruption Strategy is based on three key themes: Acknowledge, Prevent and Pursue, and is aligned to the National Strategy: *Fighting Fraud and Corruption Locally*.

4.2 The Strategy places emphasis upon the following anti-fraud activities:

- i. **Acknowledge:** recognising and understanding fraud risks and committing support and resource to tackling fraud to maintain a robust anti-fraud response.
- ii. **Prevent:** preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

- iii. **Pursue:** punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive law enforcement response.

## 5. **ACKNOWLEDGE, PREVENT, PURSUE**

### (i) **ACKNOWLEDGE**

#### **Committing support and resource to tackling fraud.**

- 5.1 CAFS have recognised the need for a support officer to help facilitate and co-ordinate CAFS investigations at the earliest stages. To meet this demand, we have now created and recruited to a new "Trainee Investigator" post.
- 5.2 To maintain a high level of competence across CAFS, and to further improve the effectiveness of investigators, we have already planned for our officers to attend over 115 days training during 2017/18, and key training programmes attended so far include:
  - i. *CIPFA Accredited Counter Fraud Specialist Programme:* Criminal justice system & legislation; Anti-fraud culture and prevention; Investigation case management; Investigative interviewing and prosecutions.
  - ii. *Preventing and Tackling Fraud Across the Public Sector:* Participants will hear from leading organisations on the need to acknowledge, prevent and pursue fraud and corruption right across the public sector.
  - iii. *Tenancy Fraud Forum Conference:* A conference for anyone who works in tenancy fraud including investigators, auditors, housing.
  - iv. *Introduction to Internal Audit:* A bespoke course provided by CIPFA, and devised to introduce investigation officers to the techniques of internal audit, including the evaluation and testing of controls, risk assessments and report writing. This will enable investigation officers to further enhance the value of investigations through recommending detective and preventative controls to management to tackle control weaknesses identified through investigations.
- 5.3 By attending seminars and conferences, where best practice or new techniques are discussed, officers are able to bring these new ideas back to the organisation and implement them across the service.

#### **Maintain a robust anti-fraud response.**

- 5.4 From the Fraud Risk Register CAFS has identified some areas to be pro-actively researched and, where appropriate, investigated during 2017/18.

5.5 The majority of these activities are referred to Service Reviews and involve the review of current anti-fraud controls within a given service area, activity to test the effectiveness of the controls and making recommendations for improvement where necessary. In some instances, a Service Review may occur following an investigation which has identified control weaknesses. Details of sample activities are reported in *Appendix 2*.

5.6 Both the Fraud Risk Register and the pro-active operations are key elements of the operational plan that underpins and drives the Anti-Fraud and Corruption Strategy. It is referred to as the *Fraud Resilience Triangle*. The triangle is formed of:

### Fraud Risk Register (*Acknowledge*)

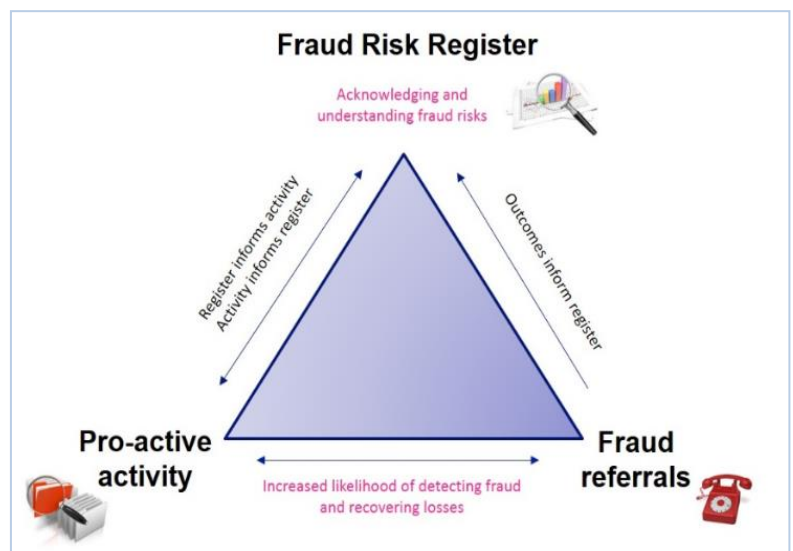
- The fraud risk register identifies possible frauds to which the participating authorities are exposed. It estimates both the possible impact of a given fraud and the likelihood of it occurring.
- The register is frequently reviewed to ensure that the risks are being appropriately managed, as well as informing and driving the Pro-active Work Programme.

### Pro-Active Work Programme (*Prevent*)

- Responding solely with reactive referrals often fails to provide the levels of coverage required to prevent or deter fraud by increasing the likelihood of detection.
- Regardless of how successful a proactive fraud operation may be in detecting fraud, it can always serve as an effective deterrent if the work is done visibly.

### Reactive Referrals (*Pursue*)

- The term reactive is derived from the fact investigators are reacting to intelligence from various sources (including proactive) and begin an examination path that focuses on the evidence which may validate said intelligence and lead to proven fraud.
- Reactive referrals are often the primary source of work for the fraud specialists and provide good leads, especially in organisations that have a strong anti-fraud culture, where the staff take responsibility for preventing, detecting and reporting instances of fraud.



## **(ii) PREVENT**

### **Corporate investigations**

5.7 Corporate investigations are defined as fraud cases which relate to employee fraud or other third party fraud which does not fall within a particular CAFS service areas such as Housing or Disabled Parking Fraud.

5.8 Since 1 April 2017 work in this area has resulted in:

- The dismissal of a member of staff whose immigration status had changed but they had failed to inform Human Resources;
- A disciplinary hearing following an investigation into potential bribery; and,
- Accessible transport fraud;

### **Housing/Tenancy Fraud**

5.9 CAFS provides an investigative service to all aspects of housing, including the verification applications for housing support, as well as applications for the succession or assignment of tenancies.

5.10 CAFS also investigate allegations of subletting or other forms of tenancy breaches as well as the checking of all right to buys. For the period 1 April 2017 to 30 September 2017, CAFS have successfully prevented eight false applications; four requests for housing, and three successions.

5.11 In addition to the stopped housing applications, CAFS also stopped three cases where tenants had applied to receive a cash incentive in order to vacate their property or downsize accommodation. The three applications stopped were valued at £12,000.

5.12 CAFS have also recovered 13 properties including a four-bedroom address and a three-bedroom address, both of which are in high demand and can now be allocated to a family in genuine need of assistance. Of the 13 recoveries, eleven involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties can be promptly reallocated.

### **Right to Buy (RTB)**

5.13 The number of RTB applications continues to rise with tenants benefiting from the scheme's significant discounts, £103,900.

5.14 CAFS apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.



- 5.15 For the period 1 April 2017 to 30 September 2017, CAFS have successfully prevented 24 Right to Buys from completion, where suspicion was raised as to the tenant's eligibility or financial status. In many instances, these have been as a result of the tenant voluntarily withdrawing their application once checking commenced.
- 5.16 In two cases, the checks undertaken to verify the RTB have uncovered additional criminality, namely subletting, and resulted in the properties being recovered as well as the RTBs being stopped.
- 5.17 The table below reflects the overall position for this period.

RTB applications	Stopped/Prevented	Completions	Pending
55	24	10	21

- 5.18 The prevention work undertaken by CAFS in respect of RTB continues to protect valuable Council stock.

### **Parking investigations**

- 5.19 CAFS continue to investigate the misuse of disabled parking badges, and for the period 1 April, 2017 to 30 September 2017 have successfully investigated ten offenders who were all successfully prosecuted. A further nine cases are currently lodged with the Council's solicitors awaiting a court date.
- 5.20 From the successful prosecutions secured to date, fines totalling £2,360 were imposed, and defendants ordered to pay the Council a total of £3,314 in costs and victim surcharges.
- 5.21 CAFS also investigate the misuse of, and false application for, residents parking permits. For the period 1 April 2017 to 30 September 2017 have successfully investigated 32 offenders who have all had appropriate sanctions applied including one individual who was successfully prosecuted for using a false permit.
- 5.22 Details of sample activities are reported in *Appendix 2*.

### **National Fraud Initiative (NFI)**

- 5.23 The National Fraud Initiative (NFI) is a data matching exercise carried out by the Cabinet Office, designed to help organisations identify possible cases of fraud, and detect and correct any consequential under or over-payments from the public purse.
- 5.24 The exercise is run every two years and matches electronic data within and between public and private sector bodies to identify inconsistencies which then require further investigation.

5.25 The data for the current exercise was provided by local authorities in September 2016 and potential matches were returned to the Council for further examination in March 2017, with new reports containing further matches being added throughout April, May and June.

5.26 The Cabinet Office refer the high risk cases as “recommended matches” and expect Councils to prioritise them. CAFS identified 1,160 recommended matches and the table below shows the result of CAFS progress:

<b>Fraud identified</b>	<b>On-going</b>	<b>Closed no fraud</b>	<b>Outstanding</b>
16	149	734	261

5.27 The most significant of the proven fraud involved a positive match between payroll data and Home Office immigration records, and indicated that a member of staff was no longer entitled to work in the UK. Further enquiries also confirmed that the employee no longer had leave to remain in the UK. Full details were provided to the UK Border Agency and the employee suspended, but she resigned ahead of any disciplinary action.

5.28 The other 15 positive outcomes included 14 individuals being removed from the Council’s waiting list, because their circumstances had changed and they now had acquired housing outside of Westminster, and the cancellation of a disabled parking badge.

5.29 The NFI exercise also contained matches in respect of Westminster Housing Benefit claimants. The NFI identified 175 of these matches which it recommends should be reviewed and investigated. Additionally, a selection of non-recommended matches was also reviewed for completeness. In total, 231 matches were reviewed.

5.30 The overall breakdown of cases by fraud type is detailed in the following table:

	<b>Recommended matches</b>	<b>Closed no fraud</b>	<b>Fraud/Error identified</b>	<b>On-going</b>	<b>Outstanding</b>
<b>Payroll &amp; Pensions</b>	189	158	1	23	7
<b>Housing</b>	582	358	14	24	186
<b>Parking</b>	242	150	1	91	0
<b>Council Tax</b>	51	43	0	8	0
<b>Other</b>	96	25	0	3	68
<b>Housing Benefit</b>	175 + 56	202	1	1	27 *
<b>TOTAL</b>	<b>1392</b>	<b>936</b>	<b>17</b>	<b>150</b>	<b>261</b>

\*Outstanding HB cases passed to DWP’s SFIS for investigation

### **(iii) PURSUE**

#### **Deterrence**

5.31 Stopping fraud and corruption from happening in the first place must be our primary aim. However, those who keep on trying may still succeed. It is,

therefore, important that a robust enforcement response is available to pursue fraudsters and deter others.

### **Proceeds of Crime Act 2002 (POCA)**

- 5.32 Prompt and efficient recovery of losses is an essential component in the fight against fraud, and the Proceeds of Crime Act is a crucial part of the Council's counter fraud strategy.
- 5.33 Currently, CAFS is progressing two significant POCA cases. The first, a tenancy fraud investigation, which during a house search led to the seizure of £52,000 in cash, and the second, a right to buy fraud, which is due to begin trial early next year. Both cases could result in sizeable awards and large compensation payments to the Council.
- 5.34 The Act remains a powerful deterrent, and through the support of a Shared Service financial investigator, it is deployed by the Council, where appropriate to recover fraud losses and deter potential fraudsters. The use of POCA by CAFS makes fraudsters aware that every effort will be made by the Council to recoup losses and confiscate assets gained as a result of criminal activity.

### **Sanctions and compensation**

- 5.35 For the period 1 April 2017 to 30 September 2017, CAFS has successfully prosecuted eleven offenders, and currently, have fourteen cases lodged with the Council's solicitor for prosecution activity.
- 5.36 In addition to the prosecution action detailed above, CAFS has also received £11,486 in compensation payments which act as a further deterrence for those who might contemplate defrauding the Council.

**David Hughes**  
**Director of Internal Audit, Risk, Fraud & Insurance**

**Local Government Access to Information Act – background papers used:**  
Case Management Information

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## 2017/18 - Revised Fraud Savings

WORK ACTIVITY	RISK SCORE	DEFINITION	New 2017/87 VALUE	Comparison: 2016/17 VALUE
<b>TENANCY FRAUD</b>  <i>Figures based upon a 2016 report, Temporary Accommodation in London: Local Authorities under Pressure by Julie Rugg University of York, which suggested the average annual cost to each Council, per annum = £3,917 (rising to an ave. £4,000 p.a. to incl. administration costs) but include local waiting times and availability of suitable sized property.</i>  <i>UPO's take account of non-payment</i>	12	Property recovered	Ranging from £4,650 to £31,250 dependent upon size	Ranging from £54,000 to £62,000
		Succession stopped studio/1/2/3/4 bed – to include decants	£11,500	£54,000
		Assignment stopped/tenancy corrected studio/1/2/3/4 bed	£1,500	£18,000
		Suspended Possession Order studio/1/2/3/4 bed	£1,500	£18,000
		UPO judgement awarded	£ value (30%)	100% value
		UPO judgment satisfied	£ value (70%)	N/A
<b>HOUSING FRAUD</b>  <i>Cash cost calculated by Housing Department</i>	12	Discharge Duty ( <i>actual cost to RBKC of 1 year in TA</i> )	£2,044	£18,000
		Removed from CHR ( <i>average administration fees</i> )	£500	£18,000
<b>RTB</b>  <i>Administration costs and valuation fees</i>	8	Withdrawal at initial stage prevention	£1,500	£103,900
		Withdrawal following interview ( <i>suggests more intent</i> )	£3,000	£103,900
		RTB fraud proven (ineligibility) – 10% of the discount	£10,390	£103,900
<b>BUSINESS RATES (NNDR)</b>	8	Exemption fraud - Revised billing	£ value (70%)	100% value
<b>COUNCIL TAX</b>	8	Exemption fraud – SPD or Student	£ value (70%)	100% value
<b>CTRS &amp; DEBTS</b>	3	Overpayment identified	£ value (25%)	100% value
<b>BLUE BADGE</b>  <i>Figures last calculated by the National Fraud Authority</i>	6	Blue Badge – prosecution	£3,500	£5,644
		Blue Badge – physically recovered and destroyed	£1,231	£5,644
		Blue Badge – misuse – seizure/warning/cancellation	£323	No change
		Blue Badge – removal of bay	£3,500	£5,644
<b>FREEDOM PASSES</b>  <i>Average charge per pass to Council</i>	6	Freedom passes fraud	£330	No change

**PRO-ACTIVE OPERATIONS**

Source	Fraud Review	Details	Risk
Pro-active counter fraud work plan	<p><b>Housing and Tenancy Fraud</b></p> <p>National Fraud Initiative (NFI) 2017</p> <p>Review the "highly recommended" housing tenancy matches, generated by the Cabinet Office NFI exercise, which suggests potential fraud risks.</p>	<p>Review the recommended matches in the following 12 National Fraud Initiative 16/17 reports, Reports 100, 104, 111, 315, 468, 469, 102, 103, 105, 113, 316, all in respect of Housing Tenant data matches.</p> <p>These reports generated a total of 115 potential fraud risks, and following reviews, checks, and investigations 76 have been closed off, and no fraud identified. However, 39 remain under investigation, and the outcomes of these will be reported later in the year.</p>	<p>Until the findings of this exercise are concluded the risk remains unchanged.</p> <p>No change</p> <p style="text-align: center;">↔</p>
Pro-active counter fraud work plan	<p><b>Procurement</b></p> <p>eLearning Course circulated to Procurement officers at Westminster</p>	<p>A bespoke eLearning course was created for procurement officers covering the following topics;</p> <ul style="list-style-type: none"> <li>• Procurement fraud and the warning signs</li> <li>• Bid-rigging</li> <li>• Bribery and corruption</li> <li>• Gifts and hospitality</li> <li>• Conflicts of interest</li> </ul> <p>26 officers enrolled on the course, which concluded with an evaluation test to verify understanding. Officers scored an average of 84% against a pass mark of 70%.</p>	<p>Although the eLearning is a positive action towards heightening of awareness, the risk of procurement fraud remains unchanged.</p> <p>No change</p> <p style="text-align: center;">↔</p>

Counter fraud work plan	<p><b>RTB improvements</b></p> <p>The audit of the Right to Buy process in 2016/17 identified four areas for improvement, and these were treated as actions for completion in the 2017/18 Counter fraud work plan:</p>	<p>All actions have been completed, and they were;</p> <ol style="list-style-type: none"> <li>1) Version controlled process maps and form.</li> <li>2) Service Level Agreement (SLA) between Lessee Services and CAFS, which has been included in the overall CityWest Homes/CAFS SLA.</li> <li>3) Records of CAFS live cases shared and reconciled each month with Lessee Services to ensure no case is delayed.</li> <li>4) Bespoke fraud awareness training for Lessee Service, which was provided to all staff in the service via an eLearning package.</li> </ol>	<p>The involvement of CAFS in the RTB process and these implemented improvements have reduced the “<i>likelihood</i>” from 4 to 3</p> <p>Risk reduced</p> <p style="text-align: center;">↓</p>
Pro-active counter fraud work plan	<p><b>Petty Cash</b></p> <p>Scoping exercise on petty cash and impress accounts to identify and record/document all petty cash systems to create a directory for future Service Reviews.</p>	<p>The scoping exercise identified 30 sites where cash is collected and maintained securely. This included eleven libraries and thirteen schools.</p> <p>Work has detailed;</p> <ul style="list-style-type: none"> <li>• Key contacts</li> <li>• Float balances, averages and annual amounts</li> <li>• Frequency of collections</li> <li>• Locations</li> </ul> <p>This initial work will inform stage two of the plan which will include site visits and sampling in quarters three and four. At present no change to risk at present given the objectives.</p>	<p>This scoping exercise has identified areas to review in quarters 3 and 4</p> <p>No change</p> <p style="text-align: center;">↔</p>

<p>Pro-active counter fraud work plan</p>	<p><b>Data Analytics</b></p> <p>Applying analytic data techniques, including Benford's Law, against payment data to identify discrepancies for further investigation.</p> <p>Using analytics gives the work;</p> <ul style="list-style-type: none"> <li>• credibility</li> <li>• risk-based analysis</li> <li>• focus,</li> <li>• coverage, and</li> <li>• an increased chance of finding fraud.</li> </ul>	<p>Quarter one data for all Council payments and all Procurement Card transactions analysed. The payment frequencies and amounts showed no significant peaks or troughs which might signify potential fraud or require closer inspection or sampling.</p> <p>CAFS will continue to analyse data in quarters 2,3 and 4.</p>	<p>The analytics provide assurance but insufficient data to amend risk scores which remain unchanged.</p> <p>No change</p> <p style="text-align: center;">↔</p>
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## NOTEWORTHY INVESTIGATIONS

	Case Description
1.	<p><b>BRIBERY AND CORRUPTION</b> - Anonymous allegation received via public facing Westminster City Council website that employee had been taking bribes from a local business on Edgware Road in exchange for providing confidential information.</p> <p>The Head of Service was aware of a history of similar malicious allegations in the service area, but these had always been dealt with correctly, and there had never been a named individual to investigate.</p> <p>Following an initial scoping meeting it was agreed to investigate to check internal records for any links between the employee and the company, including monitoring. These identified no evidence to support the bribery allegation. However, other conduct issues were identified including the excessive personal use of the internet.</p> <p>Following consultation with the manager it was agreed that they would proceed informally at the first stage and following a management interview, the excessive internet use was admitted by the employee. The employee is now subject to a performance improvement action plan which will be reviewed after three months.</p> <p>The final report recommended that the service area is enrolled in CAFS anti-bribery and corruption e-learning to support the managers in managing the risk in their service area. This was agreed and completed.</p>
2.	<p><b>RIGHT TO BUY and TENANCY FRAUD (CWH)</b> - As part of the prevention process all Right to Buy applications are vetted by CAFS. During this process an application for a Goldney Road property raised concerns, and the file was referred to an investigator.</p> <p>The subsequent investigation revealed that the tenant had failed to declare that he owned two properties. It was also established that he owned these properties before making an application for housing in 2013 and had failed to declare them on his housing application form.</p> <p>The tenant was invited to an interview under caution but failed to attend. Instead, he relinquished his tenancy by returning the keys to the estate office and providing CityWest with a vacant possession forthwith.</p>



<p>3.</p>	<p><b>EMPLOYEE (Immigration)</b> – A positive data match in the National Fraud Initiative (NFI) 2017 compared payroll data to immigration data. The subsequent referral stated that a City Council employee had no right to work in the UK.</p> <p>Checks showed the individual was employed as Assistant Head Cook at a local Primary School.</p> <p>UK Border Agency (UKBA) confirmed via a NFI web application that there was no current right to work and the school was contacted via the Council's Human Resources Department. They advised that this issue had been raised the previous year and the employee had claimed to have "Indefinite Leave to Remain although she had lost the UK passport which contained the immigration vignette (an authorisation stamp).</p> <p>Further enquiries with UKBA provided a detailed immigration history showing that there is no Right to Work and no Leave to Remain, and they consider her to be an immigration absconder.</p> <p>Enquiries with UK Passport Agency confirmed that they had never issued a passport to the employee.</p> <p>The school suspended the employee in light of these responses, and she resigned without notice before the investigation meeting was due to take place.</p>
<p>4.</p>	<p><b>HOUSING FRAUD – Temporary Accommodation</b> - Allegation received from Housing Options Service (HoS) that applicant may not be residing in the out of borough temporary accommodation. She had failed to respond to contact, and the landlord of the Barking Road address had stated she had not been seen at the property.</p> <p>Background checks showed that the applicant remained linked to the family address in Westminster from which she claimed to have been excluded.</p> <p>Simultaneous visits were carried out, and the applicant and her brother (party to the application) were both found at the family address, and the officers believed that she had always resided at this address.</p> <p>Further enquiries verified that she has always operated in and around the Westminster area, with no activity such as cash withdrawals or movements occurring in the Barking area, the location of her temporary accommodation placement.</p> <p>All details were provided to HoS who believed there was sufficient evidence gathered to prove the applicant was not using the temporary accommodation properly, but instead living at the address she had claimed she was excluded from.</p> <p>HoS discharged their duty to house the applicant.</p>

5.	<p><b>PARKING PERMIT</b> - Referral from NSL staff stated a renewal application at from an address in Newport Place appeared strange as this is area is in the heart of Chinatown and primarily a location for restaurants rather than residential properties.</p> <p>Visits to the address proved it was a restaurant and when officers managed to track down the applicant to a Woolwich address, he admitted living outside Westminster. In mitigation, he said that he sometimes stayed over at the restaurant in Chinatown but now realises he made a mistake.</p> <p>The permit was cancelled and was subsequently returned. The renewal was quashed and no refund made.</p>
6.	<p><b>RIGHT TO BUY and TENANCY FRAUD (CWH)</b> - Allegation received that tenant of a CityWest property in Swain Street also owned another property in Ilford which had not been declared as part of his housing application, and he had subsequently fraudulently obtained a council tenancy.</p> <p>Background checks confirmed that the tenant owned property which had been rented out since it was purchased and that he had received Housing Benefit directly from Barking &amp; Dagenham as the landlord of the property.</p> <p>The tenant had also made an RTB application which was suspended due to the investigation and subsequently withdrawn by the tenant before he attended an interview under caution.</p> <p>Joint working with DWP was attempted, and a joint interview was carried out during which the tenant and his partner made no comment to the allegations.</p> <p>Following the interview the tenant's solicitor made representations, and the Swain Street property was relinquished forthwith and quickly allocated to a family in genuine need of support.</p>
7.	<p><b>TENANCY FRAUD – CAFS</b> received an anonymous report suggesting four flats in Naylor House, Bruckner Street, W10 were possibly being sublet.</p> <p>In three of the cases, investigations were completed and no fraud found, however, in the fourth case it was discovered that the tenant of a flat was living in Islington with his wife while allowing his brother to occupy the Westminster address.</p> <p>The tenant and the brother were both questioned while under caution, and at the end of the interviews agreed to return the keys to the property to CityWest Homes.</p>

8.	<p><b>BLUE BADGE FRAUD</b> – During a routine inspection of disabled bays, a CAFS investigation officer observed a male park a private hire vehicle in a Disabled Bay close to Oxford Street.</p> <p>When challenged as to the badge holder's whereabouts the driver attempted to fabricate an explanation that his sister, the badge holder, was currently shopping on Oxford Street and he was waiting for her.</p> <p>Following further cross-examination he finally admitted that his sister was in Brent and had not been anywhere near Oxford Street that day. He accepted that he had unlawfully parked his vehicle using his sister's disabled blue badge to avoid parking fees.</p> <p>The case was heard at Westminster Magistrates Court by District Judge Coleman. The defendant was in attendance, unrepresented and entered a guilty plea.</p> <p>The judge imposed a fine of £166 and ordered the defendant to pay the Council costs of £450 and a victim surcharge of £30. The defendant was ordered to pay £300 within 24 hours and remaining £346 by the end of April 2017.</p> <p>The defendant was given 28 days to pay the £660, and a collection order was made in the event of non-payment.</p>
9.	<p><b>RIGHT TO BUY and TENANCY FRAUD (CWH)</b> - Referral received from CWH lessee services who upon receipt of an application under the RTB scheme, undertook a visit to the York Mansions property. During this visit, the tenant was not present, but two other persons were. They claimed the tenant was in the hospital.</p> <p>CAFS investigators undertook further "out of hours" visits. However, these were unsuccessful in establishing occupants, but these did prompt the tenant to withdraw her application for the RTB.</p> <p>The investigation identified other persons linked to the property and showed that the tenant had spent significant periods of time abroad, and information including financial records suggested she was living in the USA with her newly married husband and her daughter.</p> <p>Letters and notices were served against the property, but this failed to prompt any contact. However, following email correspondence, the tenant confirmed her whereabouts in the USA, and advised that she did not know when she would be returning, which in itself demonstrated a lack of intent to return. She also stated that she did consider the York Mansions flat to be her main home and relinquished the tenancy.</p> <p>No further action was considered given the overseas residency and their intention to remain there for the foreseeable future.</p>

**10. TENANCY FRAUD** - A referral from CityWest officers suggested that the tenant of a two-bedroom flat in Princethorpe House was not living at the property.

Initially, a check of the tenant's financial records linked her to addresses in Borehamwood, Hertfordshire, and potential residency in this area was further evidenced when her bank statements showed that cash machine withdrawal transactions were all undertaken in this area and not Westminster. Furthermore, the investigating officer also discovered that her employment was located in the area.

However, while the financial records suggested the tenant lived in Hertfordshire, there were no transactions such as regular credits, which would have suggested Princethorpe House was sublet.

A series of failed visits and interview requests ensued, and conversations with neighbours confirmed that they had not seen the tenant for over two years.

The investigator finally traced the tenant to a particular property in Borehamwood, and enquiries with the property owner confirmed our tenant was privately renting the property.

A letter inviting her to attend an interview under caution was sent to the Borehamwood address and duly attended the agreed appointment. She denied that she lived in Borehamwood, saying it was her boyfriend's father's place and that she just used it to stay over occasionally. However, when officers probed further asking about tenancy agreements, utility bills and financial transactions she evaded an answer, became quite emotional and asked officers to stop the interview.

A week after the interview under caution she contacted the investigating officer providing a signed termination letter returning the property with effect from 30 June 2017.

Without evidence that the tenant has been illegally subletting the flat at Princethorpe House, there were no criminal charges laid and vacant possession was accepted forthwith.

11.	<p><b>TENANCY FRAUD &amp; CASH INCENTIVE SCHEME</b> – A case was referred to CAFS by the Estate Office who had concerns that the tenant of a flat in Parkinson House, Tachbrook Street, SW1, was not residing at the property. Several visits to the address, to see the tenant, had been unsuccessful.</p> <p>A credit report linked the tenant to a property in Hackney where she held active credit accounts along with her bank account. Subsequent enquiries identified this property to be owned by family members of the tenant.</p> <p>Visits to Parkinson House remained unsuccessful, but a visit to the Hackney address led to contact from the tenant.</p> <p>On 19 June 2017, the tenant spoke to investigators and terminated her tenancy forthwith, although in doing so she asked for payment under the cash incentive scheme, which is meant for tenants who genuinely give up their property or downsize.</p> <p>Given the evidence linking her to Hackney for some time before the investigation uncovering the truth, she was deemed ineligible, and the application for £5,000 refused.</p>
12.	<p><b>RIGHT TO BUY and TENANCY FRAUD (CWH)</b> - As part of the prevention process all Right to Buy applications are vetted by CAFS. During this process an application for a Goldney Road property raised concerns, and the file was referred to an investigator.</p> <p>The subsequent investigation revealed that the tenant had failed to declare that he owned two properties. It was also established that he owned these properties before making an application for housing in 2013 and had failed to declare them on his housing application form.</p> <p>The tenant was invited to an interview under caution but failed to attend. Instead, he relinquished his tenancy by returning the keys to the estate office and providing CityWest with a vacant possession forthwith.</p>

13.	<p><b>RESIDENT PARKING FRAUD</b> - In June 2016 an anonymous allegation was received stating that a vehicle was being parked in Wilton Crescent or Belgrave Place SW1X (this location is controlled parking zone "A") with a 'forged' resident parking permit and that this had been going on for some time. It was claimed that the driver of the vehicle worked in Waitrose close to where the car was being parked.</p> <p>An investigation established the driver lived in Kilburn Lane which was in Westminster's controlled parking zone "C." He was entitled to a permit because of his residency at this address, but he was not entitled to a zone "A" permit as seen on display in the vehicle when parked in the SW1 area. The investigation also established that the driver was employed, full time, at the Belgravia branch of Waitrose, further corroborating the original allegation.</p> <p>As a result, evidence was obtained which proved the driver and his vehicle were regularly parking in the SW1 area due to a forged A zone residents permit.</p> <p>The driver was charged with eight offences of possession of articles for use in fraud, contrary to Section 6 of the Fraud Act 2006, in respect of the various times, his vehicle was seen parked with the counterfeit resident parking permit on display. He was charged with two offences of producing an article for use in fraud, contrary to Section 7 of the Fraud Act 2006, in respect of the creation of two counterfeit resident parking permits.</p> <p>At Westminster Magistrates Court on 31 May 2017 he entered guilty pleas in respect of each charge. He was sentenced to 26 weeks in custody, suspended for 12-months, and ordered to undertake 200 hours of unpaid community service. Also, the Council was awarded £2,000 in compensation, to be paid within 12-months.</p>
14.	<p><b>BLUE BADGE FRAUD</b> – During an inspection regime in and around Great Portland Street, W1, the Blue Badge investigator noticed a BMW 1-series being parked in a Disabled Bay. When the driver, and only occupant, emerged from the vehicle our investigator approached and ask him about the Blue Badge that he had placed on display on the vehicle dashboard.</p> <p>The driver initially refused to provide the badge for inspection saying he was, "late for work." However, having been informed his refusal could constitute an offence, he handed it over as requested. The badge proved to have been issued to a Camden resident who the driver explained was his mother.</p> <p>When asked where his mother was, the driver admitted she was at her doctor's surgery in Camden. He said he had dropped her off there earlier that morning, and then parked in Great Portland Street to do some shopping for her before going to work.</p> <p>On 26 July 2017 at Westminster Magistrates Court, the driver entered a guilty plea by post, he wasn't in attendance.</p> <p>The District Judge ordered him to pay a fine of £400, to pay the Council £450 costs and a victim surcharge of £40.</p>

15.

**TENANCY FRAUD** (Peabody Trust) - An investigation commenced into a possible residents parking permit fraud at a Peabody Trust property in Wild Street. An application had been received from a person who was not linked to the property.

The investigation revealed that the property was not being occupied by the registered Peabody tenant, but the investigator was unable to establish who was occupying the address. However, the investigator did discover that the real tenant had been sent to prison in 2015 for a sentence of four years, but that serving his sentence in Wandsworth Prison he was subsequently deported back to France.

The evidence gathered by CAFS was presented at a court hearing on 23 August 2017 where outright possession order being awarded to Peabody. The tenant was ordered to pay £661.84 rent arrears, and the tenant and his associates were ordered to pay Use and Occupation charges of £15.03 daily which amounted £4,148.

Peabody has since confirmed Westminster have been allocated nomination rights to the property.

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City of Westminster

## Audit & Performance Committee Report

<b>Meeting:</b>	<b>Audit &amp; Performance Committee</b>
<b>Date:</b>	<b>23 November 2017</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Work Programme</b>
<b>Wards Affected:</b>	<b>N/A</b>
<b>Financial Summary:</b>	<b>There are no direct financial implications arising from this report</b>
<b>Report of:</b>	<b>Head of Committee &amp; Governance Services</b>
<b>Report Author:</b>	<b>Reuben Segal, Senior Committee and Governance Officer. Tel: 020 7641 3160 or email: <a href="mailto:rsegal@westminster.gov.uk">rsegal@westminster.gov.uk</a></b>

### **1. Executive Summary**

- 1.1 The Committee is invited to review the work programme for 2017/18, attached at appendix 1.
- 1.2 The Committee is asked to note the actions which arose from the last meeting and the work undertaken in response, as detailed in appendix 3.
- 1.3 The committee is also asked to note the update on the Managed Services Task Group and the Investments Task Group which have been established by the Housing, Finance and Corporate Services Policy and Scrutiny Committee but which due to their overlap with the committee's work includes Audit and Performance Committee Members.

## **2. Recommendations**

1. That the Committee notes its agenda for the next meeting on the 1 February as set out in **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 A Work Programme for 2017/18 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.
- 3.3 The work programme will be reviewed at each meeting of the Committee and items can be removed or added as necessary.

## **4. Task Groups**

- 4.1 A joint Task Group with the Housing, Finance and Corporate Services Policy and Scrutiny Committee to review the City Council's approach to investments took place on 13<sup>th</sup> September.
- 4.2 A joint Task Group of the committee and the Housing, Finance and Corporate Services Policy and Scrutiny Committee with the Royal Borough of Kensington and Chelsea (RBKC) was planned but did not take place because it was not possible to agree a time and date with members from RBKC in time. The re-procurement will continue to be the subject of member oversight by the Audit & Performance Committee.

## **5. Monitoring Actions**

- 5.1 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.

## **6. Resources**

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

**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**

**Tel: 020 7641 3160 or email: [rsegal@westminster.gov.uk](mailto:rsegal@westminster.gov.uk)**

**APPENDICES:**

Appendix 1 – Work Programme 2017/18

Appendix 2 – Terms of Reference

Appendix 3 – Committee Action Tracker

**BACKGROUND PAPERS:**

None

# Work Programme 2017/18

## Audit and Performance Committee

**17 July 2017**

Agenda Item	Reasons & objective for item	Lead Officer
<b>Work Programme 2017/18</b>	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
<b>Annual Statement of Accounts</b>	To formally receive and approve the final accounts with any update arising from the public inspection period.	Steve Mair (Finance)
<b>Annual Contracts Review 2016/17</b>	To review of the City Council's contracts, including details of contracts awarded, waivers and performance.	Anthony Oliver (Procurement)
<b>2016/17 End of year Performance Business Plan Monitoring and Period 2 (May) Report</b>	<p>The year-end report presents detailed performance results for the year April 2016 to March 2017 against the 2016/17 business plans.</p> <p>To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.</p>	<p>Steve Mair (Finance)</p> <p>Damian Highwood/Mo Rahman (Performance)</p>

<p><b>Capital Programme Delivery Review</b></p>	<p>To consider key solutions to address concerns regarding delays in the delivery of key capital projects including how the capacity and capability of the organisation to deliver capital programmes can be enhanced. To receive an overview of the implementation of the new approach across 3 or 4 schemes..</p>	<p>Steve Mair (Finance)</p>
<p><b>Discretionary Housing Payment (DHP) Delegated Decisions</b></p>	<p>To receive an overview of DHP applications received and determined at officer level in the last 12 months including amounts awarded as well as information on procedures and verification processes.</p>	<p>Gwynn Thomas Senior Benefits Policy Officer</p>

## 18 September 2017

Agenda Item	Reasons & objective for item	Lead Officer
<b>Work Programme 2017/18</b>	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	<p>To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.</p> <p>To monitor Quarter 1 performance results against the 2017/18 business plans</p>	<p>Steven Mair (Finance)</p> <p>Mo Rahman (Performance)</p>
<b>Internal Audit Monitoring Reports</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
<b>Commercial Revenue Performance</b>	To consider the performance and outcomes as well as future targets of corporate commercial revenue performance. To examine the risks and mitigations associated with achieving these objectives.	Steve Mair (Finance)
<b>General Fund Reserves Policy</b>	To consider how the aim to build up further general fund reserves over the next 5 years can be delivered and the risks for achieving this together with mitigation measures.	Steve Mair (Finance)

**23 November 2017**

<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>Work Programme 2017/18</b>	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
<b>Grant Thornton Annual Audit Letter 2016/17</b>	To consider Grant Thornton's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources.	Elizabeth Jackson Paul Dossett (Grant Thornton)
<b>Corporate Complaints 2016/17</b>	To report on the volume and details of complaints received by the Council and CityWest Homes in 2016/17.	Sue Howell (Complaints)
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.  To monitor Quarter 2 performance results against the 2017/18 business plans	Steven Mair (Finance)  Damian Highwood/Mo Rahman (Performance)
<b>Internal Audit Monitoring Report</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
<b>Mid-Year Counter Fraud Monitoring Report</b>	To oversee and monitor the success of the Counter Fraud Service	Andy Hyatt (Anti-Fraud)

## 1 February 2017

Agenda Item	Reasons & objective for item	Lead Officer
<b>Work Programme 2017/18</b>	The Committee is invited to review its work programme for the 2017/18 municipal year.	Reuben Segal
<b>Grant Thornton Certification of Claims and Returns Annual Report (Audit 2016/17)</b>	To report the findings from the certification of 2016/17 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.	Elizabeth Jackson Paul Dossett (Grant Thornton)
<b>Grant Thornton Annual Audit Plan 2017/18</b>	To set out the audit work that Grant Thornton proposes to undertake for the audit of the financial statements and the value for money (VFM) conclusion 2017/18.	Elizabeth Jackson Paul Dossett (Grant Thornton)
<b>Finance &amp; Performance Business Plan Monitoring Report</b>	To monitor the Council's financial position including revenue forecast outturn, revenue expenditure including key risks and opportunities, capital expenditure and HRA revenue and capital expenditure and reserves.  To monitor Quarter 3 performance results against the 2017/18 business plans	Steven Mair (Finance)  Mo Rahman/Damian Highwood (Performance)
<b>Maintaining High Ethical Standards at the City Council</b>	To maintain an overview of the arrangements in place for maintaining high ethical standards throughout the Authority	Tasnim Shawkat (Monitoring Officer)
<b>Internal Audit Monitoring Report</b>	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and robust internal control framework.	David Hughes (Internal Audit)
<b>Internal Audit Plan 2018/19</b>	To review and comment on the draft audit plan for 2018/19	David Hughes (Internal Audit)



<b>Agenda Item</b>	<b>Reasons &amp; objective for item</b>	<b>Lead Officer</b>
<b>Draft Annual Statement of Accounts and Outturn 2017/18</b>	To review the draft 2017-18 Annual Statement of Accounts and outturn.	Steve Mair (Finance)
<b>Draft Audit Findings Report 2017/18</b>	To review the reports from the Council's external auditors on the key findings arising from their audit of the councils 2017-18 financial statements (Council and Pension Fund)	Paul Dossett Elizabeth Jackson (Grant Thornton)
<b>Update on Arrangements for the Management of the Capital Programme</b>	To consider an update on arrangements that are in place to manage the Council's capital programme for the General Fund and Housing Revenue Account.	Steve Mair (Finance)
<b>Update on Cyber Security</b>	To consider the Council's mitigations to reduce the risk of cyber-crime incidents.	Ben Goward (ICT)

**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 Independent Auditor Panel (once established) 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.

## COMMITTEE ACTION TRACKER

ACTIONS: 18 September 2017

ACTION	OUTCOME	LEAD OFFICER
<b>FINANCE (PERIOD 3) AND QUARTER 1 (APRIL - JUNE 2017) PERFORMANCE BUSINESS PLAN MONITORING REPORT (SEE REPORT OF THE CITY TREASURER AND THE DIRECTOR OF POLICY, PERFORMANCE AND COMMUNICATIONS)</b>		
1. Report on the BT contract to be presented to the next meeting of the Committee	This has been included on the agenda for 23 November meeting.	<b>John Quinn</b>
2. The high profile risks to be highlighted in future reports	This has been incorporated.	<b>Graeme Gordon</b>
3. That a report on cyber security be presented to a future meeting	This will be presented at the 23 April meeting.	<b>Ben Goward</b>
<b>INTERNAL AUDIT MONITORING REPORT (APRIL-JULY 2017) (SEE REPORT OF THE SHARED SERVICES DIRECTOR FOR AUDIT, FRAUD AND FINANCE)</b>		
1. Officers to consider if merger of TMO back office functions have any merit	A briefing note was circulated on the 2 November.	<b>Jake Mathias</b>
2. Provision of information regarding charities	A note was circulated on Friday 10 <sup>th</sup> of November.	<b>David Hughes</b>

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# Work Programme 2017/18

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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