



City of Westminster

Committee Agenda

Title:

Audit and Performance Committee

Meeting Date:

Wednesday 14th November, 2018

Time:

6.30 pm

Venue:

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

Members:

Councillors:

Ian Rowley (Chairman)
Robert Rigby
Paul Swaddle
David Boothroyd



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 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



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

**Tel: 020 7641 3160 Email: rsegal@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

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

(Pages 5 - 14)

4. PROGRESS AND UPDATE ON 2018 - 2019 AUDIT

Report of Grant Thornton

(Pages 15 - 26)

5. ANNUAL CORPORATE COMPLAINTS 2017 - 2018

Report of the Complaints and Customer manager

(Pages 27 - 84)

6. FINANCE PERIOD 6 MONITORING REPORT

Report of the Assistant City Treasurer

(Pages 85 - 100)

7. INTERNAL AUDIT 2018-2019 PROGRESS REPORT (SEPTEMBER TO OCTOBER 2018)

Report of the Shared Services Director for Audit, Fraud, Risk and Insurance

(Pages 101 - 110)

8. COUNTER FRAUD 2018-2019 HALF YEAR MONITORING REPORT

Report of the Shared Services Director for Audit, Fraud, Risk and Insurance

(Pages 111 - 124)

9. COUNTER FRAUD POLICY REVIEW	(Pages 125 - 156)
Report of the shared services director for Audit, Fraud, Risk and Insurance	
10. UPDATE ON BI-BOROUGH ARRANGEMENTS	(Pages 157 - 170)
Report of the Bi-Borough Executive Director of Children's Services and Bi-Borough Executive Director of Adults Social Care	
11. UPDATE ON HAMPSHIRE COUNTY COUNCIL PARTNERSHIP AND BT MANAGED SERVICES EXIT	(Pages 171 - 186)
Report of the Assistant City Treasurer	
12. WORK PROGRAMME AND ACTION TRACKER	(Pages 187 - 204)

Stuart Love
Chief Executive
6 November 2018

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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 on **Tuesday 18th September, 2018**, Room 3.6/3.7, 3rd Floor, 5 Strand, London, WC2 5HR.

Members Present: Councillors Ian Rowley (Chairman), Danny Chalkley, Paul Swaddle and David Boothroyd

Also Present: Dave Hodgkinson (Assistant City Treasurer), Barbara Brownlee (Executive Director for Growth, Planning and Housing), Damian Highwood (Evaluation and Performance Manager), Mo Rahman (Evaluation and Performance Analyst), Paul Dossett (Partner, Grant Thornton), Paul Jacklin (Senior Manager), Andrea Luker (Executive Director of Strategy and Planning, CityWest Homes), Emma Dexter (Executive Director of Finance, CityWest Homes), Jeremy Beresford (ICF Framework Manager), Moira Mackie (Senior Audit Manager), Mandy Gado (Head of Procurement Development), Marivie Papavassilou (Procurement Governance Manager) and Reuben Segal (Acting Head of Committee and Governance Services)

1 MEMBERSHIP

- 1.1 It was noted that Councillor Danny Chalkley had replaced Councillor Robert Rigby.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations.

3 MINUTES

- 3.1 **RESOLVED:** That the Chairman, with the agreement of the Committee, signed the minutes of the meeting held on 16 July as a correct record of proceedings.

4 GRANT THORNTON - ANNUAL AUDIT LETTER 2017 - 2018 AND PROGRESS AND UPDATE ON 2018 - 2019 AUDIT

- 4.1 Paul Jacklin, Senior Manager, Grant Thornton, introduced the Annual Audit Letter which set out the key findings from the audit of the Council's Financial Statements (Council and Pension Fund) for the year ending 31 March 2018.

He advised that there were no new issues subsequent to the detailed audit findings reported to the committee on 21 June 2018.

- 4.2 The Committee welcomed the news that Westminster maintained its position as the first local authority to have its accounts signed off by its external Auditors. The Committee was informed that the Council's performance was comfortably ahead of other local authorities. In accordance with statutory requirements the local authority deadline for approving and publishing financial statements with audit opinions for 2017/2018 had been bought forward from 30 September to 31 July. Thirty local authority audits were still pending.
- 4.3 Paul Dossett, Partner, Grant Thornton, then introduced a report which set out progress in delivering its responsibilities in relation to undertaking the audit of the Council's Financial Statements and the Pension Fund for the financial year 2018-19. The report included key information on emerging issues for Local Government such as the Ministry of Housing, Communities and Local Government (MHCLG), Social Housing Green Paper and Business Rate Pilots.
- 4.4 **RESOLVED:** That the Annual Audit letter 2017-2018 and the progress and update on the 2018/2019 audit be noted.

5 FINANCE PERIOD 3 AND QUARTER 1 PERFORMANCE BUSINESS PLAN MONITORING REPORT

- 5.1 Dave Hodgkinson, Assistant City Treasurer, introduced the contents of 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.

Forecast Outturn by Cabinet Portfolio

- 5.2 Members requested further clarification in respect of forecast Special Education Needs (SEN) spending where there was a forecast overspend of £0.350m and service demand pressures for SEN transport of £0.261m. It was explained that Westminster's transient population makes it difficult to forecast requirements and that it can only take one child to significantly impact on the budget.
- 5.3 With regards to the Place Shaping and Planning Cabinet portfolio, members noted that there are £0.500m of opportunities from Development Planning which relate to vacant posts. Members suggested that consultation is undertaken with Development Planning regarding its staffing requirements before any decisions on these vacant posts are made.

Capital – Forecast Outturn

- 5.4 The Committee noted with concern that there is still a significant underspend in the Council's general fund operational capital projects compared to approved budget. Members expressed the view that compared to development projects, which can be complex, there was less obvious justification for slippage in operational projects which relate to current stock and are largely small in nature.
- 5.5 Damian Highwood, Evaluation and Performance Manager introduced the contents of the Quarter 1 performance report which presented detailed results of the period April to June 2018 against the 2018/19 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.
- 5.6 Mr Highwood explained that the key performance indicators (KPIs) for the quarter were based on the 2017/18 target ranges. KPIs were being reviewed and the results of outturns against the 2018/19 target ranges would be reported on in the next quarter's monitoring report.

ACTIONS:

Finance

1. Provide a breakdown of the specific variances in each general fund capital project in future finance reports. **(Action for: Dave Hodgkinson, Assistant City Treasurer)**

Performance Monitoring

1. KPIs for attention - Is the 4% target for STI screens undertaken in a community setting appropriate?
2. KPIs for attention - How is the failure to meet the streets lighting defects targets and call-back regarding noise complaints impacting Westminster's residents?
3. Featured analysis: Greener City - What air quality data and carbon emissions data does the Council hold and what actual real impacts have the greener city initiatives made to the air quality in the city?
4. Adult Social Care and Public Health - How is the Council monitoring safeguarding issues around Adults in light of the changes in shared service arrangements?
5. Children's Services - What is being done for the 40% of carers at Q1 that are NEET?

6. City Management and Communities - What KPIs and performance monitoring is there for policing following the planned BCU merger?
7. Growth, Planning and Housing – Provide an update on the mitigation actions around facilities management's failure to maintain a Health & Safety compliant portfolio.
8. Policy, Performance and Communications - What % of the Council's events revenue is at risk and what is the actual impact?
9. The Committee would like future reports to include the top quartile figures instead of the average when benchmarking performance.

(Action for: Mo Rahman and Damian Highwood, Evaluation and Performance team)

6 UPDATE ON THE HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

- 6.1 Barbara Brownlee, Executive Director for Growth, Planning and Housing, introduced a report on the HRA Capital Programme and in particular the steps and processes in place to address year-end capital expenditure variances when compared to the approved growth expenditure budget. This included the establishment of the Programme Management Office (PMO) in 2018-2019 whose main purpose and objective is to establish consistent and authoritative reporting of progress against agreed business targets and advice of strategic issues linked with the delivery against these targets.
- 6.2 Barbara Brownlee explained that over the last three years the year end capital expenditure variances had been an underspend of between 29% and 39% when compared to the approved gross expenditure budget. The variances to budget were due to a number of factors and differed depending on the type of expenditure (development, operational and acquisitions). In relation to operational expenditure she explained that historically, there were many small major works contracts which collectively, did not serve the Council well. This has been addressed through re-letting such contracts.
- 6.3 Barbara Brownlee highlighted that the forecast at period 3 indicated a much lower projected level of slippage in this financial year compared to the three previous years. She was cautiously optimistic that the year end outturn against budget would broadly be on target. She further advised that Growth, Planning and Housing and Finance were working much more closely together to monitor the Capital Programme compared to previous years.
- 6.4 The committee noted in relation to major works, that there was approximately a 40% variance at period 3 in external repairs and decorations and fire precautions compared to agreed budget. Barbara Brownlee explained that the latter related to replacing external cladding at Little Venice Towers. Replacement cladding had due to be installed but has been put on hold following publication of the Hackett report while the Council waits to obtain the recommended A*** rated cladding.

6.5 Members asked questions about the purpose and objective of the PMO. Barbara Brownlee explained that whilst development managers will continue to control projects the PMO will capture and analyse all capital activity occurring throughout the Council to provide more comprehensive reporting and insight into programme management for Members. She advised that it will likely take a couple of years before the PMO is fully effective.

6.6 **ACTION:**

1. Provide an explanation for the variance in the external repairs and decorations works at Period 3 compared to approved budget.
(Action for: Barbara Brownlee, Executive Director of Growth, Planning and Housing)
2. The Committee will review the HRA capital outturn compared to original budget at year end where it will also review the outcomes of the PMO to date. **(Action for: Barbara Brownlee, Executive Director of Growth, Planning and Housing)**

7 INTERNAL AUDIT AND INTERNAL CONTROL MONITORING REPORT (APRIL - AUGUST 2018)

7.1 Moira Mackie, Senior Internal Audit Manager, introduced a report that summarised the work carried out by the Council's Internal Audit service in the reporting period and found that in the areas audited internal control systems were generally effective with 14 positive assurance reviews (substantial or satisfactory) being issued, although three limited assurance audits (1) Children's Services – Leaving Care; (2) Corporate Services – ICT Procurement and Contract Monitoring and (3) Corporate Services and Policy, Performance and Communications – Members IT had also been issued since the last report to the committee.

7.2 Four follow up reviews completed in the period confirmed that the implementation of recommendations had been effective with the majority (85%) of recommendations fully implemented at the time of the review.

7.3 With regards to Corporate Services (ICT Procurement and Contract Monitoring), Members expressed disappointment that sample testing of five contracts identified a number of exceptions where controls required improvement and deviated from procurement policy. This is unwelcome given the work that Procurement services have undertaken with service areas on contract management over the course of the previous year.

7.4 The Committee discussed the additional information on the 14 audits that received a satisfactory assurance, which was set out in Appendix 2 to the report. Despite receiving satisfactory audits the Committee highlighted a number of concerns as follows:

- Children's Services – supplier resilience – the service confirmed that due to the disaggregation of shared service and a high staff turnover, they had

been unable to locate the relevant evidence of credit checks regarding the financial stability of suppliers.

- Growth, Planning and Housing – Planning – not all staff who should have completed a Declaration of Interest and Out of Work Activities form as required by law had done so. There was also no evidence that Anti-bribery Risk Assessment had been completed for the planning staff and Anti-bribery Awareness training had not been provided.

Moira Mackie outlined the recommendations made to address the weaknesses identified which will be followed up in subsequent reviews.

- City Management and Communities – Libraries Target Operating Model – Members noted that 17 out of the 29 interviewees suggested that more support could have been provided in advance of the project's implementation to allow for a smoother transition. This was considered disappointing given that this was a pre-planned transformation project.

8 INTERNAL AUDIT CHARTER

- 8.1 Moira Mackie, Senior Audit Manager, introduced a report on the Internal Audit Charter. She explained that in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), the Council has an Internal Audit Charter which is maintained by the Shared Services Director for Audit.
- 8.2 She further explained that the Charter is reviewed annually and has recently been updated to reflect changes.
- 8.3 **RESOLVED:** That the contents of the Internal Audit Charter and Strategy be noted.

9 HAMPSHIRE COUNTY COUNCIL PARTNERSHIP AND BT MANAGED SERVICES EXIT

- 9.1 Dave Hodgkinson, Assistant City Treasurer, introduced an update report on the exit from the existing BT Managed Services contract and the transition to the Hampshire IBC Solution.
- 9.2 The committee was informed that the Go Live date had been pushed back to 1 December 2018 as the City Council had not felt sufficiently confident in the IBC solution's readiness for the intended Go Live date of 1 October 2018.
- 9.3 Mr Hodgkinson explained that the main programme to deliver the IBC solution is divided into 5 phases, which include testing of Systems Integration, User Acceptance Testing, and payroll comparison runs. Feedback following initial User Acceptance Testing, who consist of volunteers from across the Council, had been positive. One of the main areas of work is around the testing of payroll comparison runs. The Council's payroll is comparatively complex compared to some private sector organisations. Testing is ongoing with the focus on resolving data differences to increase the results of net pay accuracy which was running at c80%.

- 9.4 The committee asked if the Go Live date could be pushed back further if it was felt necessary. Jeremy Beresford, ICF Manager, Managed Services Framework, explained that contractually the Council will exit its current arrangements with BT at the end of November so it is unfeasible to postpone the Go Live date further. Additionally, the City Council is currently utilising version 4.7 of Agresso. Technical support for this version ceased at the end of 2017 and for the interim period arrangements are in place to provide extended support but this will cease on the last day of December.
- 9.5 Mr Hodgkinson outlined the contingency plans that have been put in place. The December pay for all staff is being brought forward to Friday, 14 December on a one-off basis to coincide with the launch of the IBC so that any discrepancies can be addressed before Christmas. Officers will be able to view their payslips prior to this pay date and raise queries if there are inaccuracies. The committee sought and received reassurances that sufficient resources would be in place to take calls from staff in December. Finance will also provide support as required to the IBC to resolve any identified issues.
- 9.6 Members asked about the outcome of testing of other services such as invoicing and payments to suppliers. Mr Beresford advised that this was ongoing to plan. Tests revealed that all suppliers' data should transfer properly to Hampshire's SAP system. Similar test results had been achieved in relation to payments to suppliers.
- 9.7 The committee noted that all schools had already migrated away from BT services.

10 CITYWEST HOMES PERFORMANCE UPDATE

- 10.1 Andrea Luker, Executive Director of Strategy and Planning, and Emma Dexter, Executive Director of Finance, CityWest Homes, introduced a report that summarised CityWest Homes' (CWH) performance for the financial year 2017/18 and the period April – July 2018. It provided an update on the management of complaints and members' enquiries. It explained the changes within CWH during 2017/18 and the impact of those changes on operational performance. It incorporated a review of contracts let by the City Council and managed by CWH; an overview of CWH' risk management and a summary of CWH financial position for 2017/18.
- 10.2 Members questioned the accuracy of the volume of complaints recorded for 2017/18 as the statistics did not include the member enquiries raised on behalf of residents. Members were therefore of the view that the statistics could not be relied upon to provide a true reflection of complaints received by the organisation. This made it difficult for members to properly monitor performance. Members also expressed interest in data that is not compiled such as how many residents have had to call more than once in a month to complain about the same issue.
- 10.3 The committee discussed the changes within CWH during 2017/18 and the impact of those changes on operational performance. It considered that

strategically it had been a mistake to mobilise new contracts for repairs and maintenance, and major works at the same time as changing CWH's operating model for service delivery. Members were of the view that if there are proposals to change the operating model in service delivery in future its implementation should be closely performance monitored by the relevant Scrutiny committee. The Executive Director for Growth Planning and Housing also suggested that the Council's Programme Management Office could potentially oversee any restructure.

- 10.4 Members referred to the fact that complaints about delays in getting through to the Customer Service Centre were being raised before the change to the repairs and maintenance contractors. Barbara Brownlee informed the committee that there was a significant increase in the volume of calls to the new, single contact centre shortly after it opened. This was due to a combination of internal and external factors. The phone number was advertised extensively across the Borough and coincided with the Grenfell Tower Fire. Residents concerned about fire safety issues in their homes understandably called the phone line in large numbers to seek advice and reassurance.
- 10.5 The Committee discussed the responsibility of the CWH Board for monitoring the implementation of changes to its operating model and for day to day operational performance. Barbara Brownlee stated that with the exception of the Council's representatives on the board, who had raised concerns, there had been insufficient insight and rigour into the impact of the changes between December 2016 and July 2017.

11 PROCUREMENT SERVICES UPDATE

- 11.1 Following consideration of the Annual Contract Review at its last meeting the Committee received an update on Procurement which focused on the Contract Management Programme and service area compliance in updating contract performance ratings in capitalEsourcing.
- 11.2 Mandy Gado, Head of Procurement Development, introduced the report. She advised that since the last meeting all 181 contracts had now been performance rated in capitalEsourcing and that there was good engagement from service areas with Procurement Services.
- 11.3 Mandy Gado highlighted that 10 contracts were rated as performing 'below expectations'. Members explored the reasons for this and discussed the actions put in place to improve performance as summarised in Appendix 2 to the report.
- 11.4 **RESOLVED:** That the report be noted.

12 WORK PROGRAMME AND ACTION TRACKER

12.1 RESOLVED:

1. That the Committee agreed the agenda items for its next meeting on the 14 November 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.

The Meeting ended at 8.30 pm

CHAIRMAN: _____ **DATE** _____

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Audit Progress Report and Sector Update

Westminster City Council
Year ending 31 March 2019
15 November 2018



Agenda Item 4

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Introduction



Paul Dossett

Engagement Lead

T 020 772 83180
E paul.dossett@uk.gt.com

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

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

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Paul Jacklin

Senior Manager

T 020 7728 3263
E paul.j.jacklin@uk.gt.com

Members of the Audit and Performance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the Grant Thornton logo to be directed to the website www.grant-thornton.co.uk.

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.



Laurelin Griffiths

Manager

T 020 7865 2293
E laurelin.h.griffiths@uk.gt.com

Progress at ! November 2018

2017/18 Audit

We are currently in the process of completing our certification work on the Council's Housing Benefits Grant Claim. Work is still ongoing, but as in previous years and consistent with the majority of claims across the country, the claim will be subject to qualification.

Details of the findings will be included within our certification report which we will bring to the next Audit and Performance Committee.

We are also in the process of completing our work on the Teachers Pensions' Return and upon agreement of terms of reference with Central Government we will undertake testing of the Poling of Housing Capital Receipts Return.

2018/19 Audit

We have begun our planning processes for the 2018/19 financial year audit.

We have commenced our review and systems documentation of the Council's key financial systems recognising that we will need to undertake the same review on the new financial ledger system once this has been implemented.

We are due to undertake detailed substantive procedures in December on the balances generated from the Council's legacy financial ledger.

We will also review the controls/processes in place to transfer these balances onto the new general ledger as well as testing the accuracy and completeness of the data transfer in December. We will report the results of this work within our Audit Plan to the next Audit and Performance Committee.

Other areas

Meetings

We continue to meet with Senior Finance Officers on a monthly basis to discuss emerging developments such as the progress on migrating to the new financial ledger and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Deliverables

2017/18 Deliverables	Planned Date	Status
Annual Certification Letter This letter reports any matters arising from our certification work carried out under the PSAA contract.	January 2019	Not yet due
2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit and Performance Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	February 2019	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the May Audit and Performance Committee.	May 2019	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	June 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not yet due
Annual Certification Letter This letter reports any matters arising from our certification work.	December 2019	Not yet due

Sector Update

Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

A Caring Society – bringing together innovative thinking, people and practice

The Adult Social Care sector is at a crossroads. We have yet to find a sustainable system of care that is truly fit for purpose and for people. Our Caring Society programme takes a step back and creates a space to think, explore new ideas and draw on the most powerful and fresh influences we can find, as well as accelerate the innovative social care work already taking place.

We are bringing together a community of influencers, academics, investors, private care providers, charities and social housing providers and individuals who are committed to shaping the future of adult social care.

At the heart of the community are adult social care directors and this programme aims to provide them with space to think about, and design, a care system that meets the needs of the 21st Century, taking into account ethics, technology, governance and funding.

We are doing this by:

- hosting a 'scoping sprint' to determine the specific themes we should focus on
- running three sprints focused on the themes affecting the future of care provision
- publishing a series of articles drawing on opinion, innovative best practices and research to stimulate fresh thinking.

Our aim is to reach a consensus, that transcends party politics, about what future care should be for the good of society and for the individual. This will be presented to directors of adult social care in Spring 2019, to decide how to take forward the resulting recommendations and policy changes.

Scoping Sprint

This took place in October. Following opening remarks by Hilary Cottam (social entrepreneur and author of Radical Help) and Cllr Georgia Gould (Leader of Camden Council), the subsequent discussion brought many perspectives but there was a strong agreement about the need to do things differently that would create and support a caring society. Grant Thornton will now take forward further discussions around three particular themes:

1. Ethics and philosophy: What is meant by care? Should the state love?
2. Care in a place: Where should the power lie? How are local power relationships different in a local place?
3. Promoting and upscaling effective programmes and innovation

Sprint 1 – What do we really mean by 'care'?

This will take place on 4 December. Julia Unwin, Chair of the Civil Societies Futures Project, former CEO of the Joseph Rowntree Association and author on kindness will provide her insight to spark the debate on what we really mean by 'care'

Find out more and get involved

- To read the sprint write-ups and opinion pieces visit: grantthornton.co.uk/acaringsociety
- Join the conversation at #acaringsociety

Challenge question:

How is your authority engaging in the debate about the future of social care?



Care Homes for the Elderly – Where are we now?

It is a pivotal moment for the UK care homes market. In the next few months the government is to reveal the contents of its much-vaunted plans for the long-term funding of care for older people.

Our latest Grant Thornton report draws together the most recent and relevant research, including our own sizeable market knowledge and expertise, to determine where the sector is now and understand where it is heading in the future. We have spoken to investors, providers and market consultants to showcase the diversity and innovation that care homes can offer.

Flourishing communities are not a 'nice to have' but an essential part of our purpose of shaping a vibrant economy. Growth simply cannot happen sustainably if business is disconnected from society. That is why social care needs a positive growth framing. Far from being a burden, the sector employs more people than the NHS, is a crucible for technological innovation, and is a vital connector in community life. We need to think about social care as an asset and invest and nurture it accordingly.

There are opportunities to further invest to create innovative solutions that deliver improved tailored care packages to meet the needs of our ageing population.

The report considers a number of aspects in the social care agenda

- market structure, sustainability, quality and evolution
- future funding changes and the political agenda
- the investment, capital and financing landscape
- new funds and methods of finance
- future outlook.

The decline in the number of public-sector focused care home beds is a trend that looks set to continue in the medium-term. However, it cannot continue indefinitely as Grant Thornton's research points to a significant rise in demand for elderly care beds over the coming decade and beyond.

A strategic approach will also be needed to recruit and retain the large number of workers needed to care for the ageing population in the future. Efforts have already begun through education programmes such as Skills for Care's 'Care Ambassadors' to promote social care as an attractive profession. But with the number of nurses falling across the NHS as well, the Government will need to address the current crisis.

But the most important conversation that needs to be had is with the public around what kind of care services they would like to have and, crucially, how much they would be prepared to pay for them. Most solutions for sustainable funding for social care point towards increased taxation, which will generate significant political and public debate. With Brexit dominating the political agenda, and the government holding a precarious position in Parliament, shorter-term funding interventions by government over the medium-term look more likely than a root-and-branch reform of the current system. The sector, however, needs to know what choices politicians, and society as a whole, are prepared to make in order to plan for the future.

Copies of our report can be requested on our website



Grant Thornton

Challenge question:

How effective is the Council's engagement with the social care sector?



In good company: Latest trends in local authority trading companies

Our recent report looks at trends in LATC's (Local Government Authority Trading Companies). These deliver a wide range of services across the country and range from wholly owned companies to joint ventures, all within the public and private sector.

Outsourcing versus local authority trading companies

The rise of trading companies is, in part, due to the decline in popularity of outsourcing. The majority of outsourced contracts operate successfully, and continue to deliver significant savings. But recent high profile failures, problems with inflexible contracts and poor contract management mean that outsourcing has fallen out of favour. The days of large scale outsourcing of council services has gone.

Advantages of local authority trading companies

- Authorities can keep direct control over their providers
- Opportunities for any profits to be returned to the council
- Provides suitable opportunity to change the local authority terms and conditions, particularly with regard to pensions, can also bring significant reductions in the cost base of the service
- Having a separate company allows the authority to move away from the constraints of the councils decision making processes, becoming more agile and responsive to changes in demand or funding
- Wider powers to trade through the Localism act provide the company with the opportunity to win contracts elsewhere

Choosing the right company model

The most common company models adopted by councils are:

Wholly
owned

Joint
Ventures

Social
Enterprise

Wholly owned companies are common because they allow local authorities to retain the risk and reward. And governance is less complicated. Direct labour organisations such as Cormac and Oxford Direct Services have both transferred out in this way.

JVs have become increasingly popular as a means of leveraging growth. Pioneered by Norse, Corserv and Vertas organisations are developing the model. Alternatively, if there is a social motive rather than a profit one, the social enterprise model is the best option, as it can enable access to grant funding to drive growth.

Getting it right through effective governance

While there are pitfalls in establishing these companies, those that have got it right are: seizing the advantages of a more commercial mind-set, generating revenue, driving efficiencies and improving the quality of services. By developing effective governance they can be more flexible and grow business without micromanagement from the council.

LATC's need to adapt for the future

- LATC's must adapt to developments in the external environment
 - These include possible changes to the public procurement rules after Brexit and new local authority structures. Also responding to an increasingly crowded and competitive market where there could be more mergers and insolvencies.
- Authorities need to be open to different ways of doing things, driving further developments of new trading companies. Relieving pressures on councils to find the most efficient ways of doing more with less in today's austere climate.

Overall, joint ventures can be a viable alternative delivery model for local authorities. Our research indicates that the numbers of joint ventures will continue to rise, and in particular we expect to see others follow examples of successful public-public partnerships.



[Download the report here](#)

Public Sector Audit Appointments Report on the results of auditors' work 2017/18: Principal local government and police bodies

This is the fourth report published by PSAA and summarises the results of auditors' work at 495 principal local government and police bodies for 2017/18. This will be the final report under the statutory functions from the Audit Commission Act 1998 that were delegated to PSAA on a transitional basis.

The report covers the timeliness and quality of financial reporting, auditors' local value for money work, and the extent to which auditors used their statutory reporting powers.

For 2017/18, the statutory accounts publication deadline came forward by two months to 31 July 2018. This was challenging for some bodies and auditors and it is encouraging that 87 per cent of audited bodies received an audit opinion by the new deadline.

Audit Opinions

A total of 431 (87 per cent) principal local government and police bodies received an unqualified audit opinion by the new accounts publication deadline of 31 July. By 30 September the total had risen to 470 (95 per cent) which is the same figure as 2016/17 before the introduction of the new deadline.

The most common reasons for delays in issuing the opinion on the 2017/18 accounts were:

- technical accounting/audit issues;
- various errors identified during the audit;
- insufficient availability of staff at the audited body to support the audit;
- problems with the quality of supporting working papers; and
- draft accounts submitted late for audit.

Value for Money conclusions

The number of qualified conclusions on value for money (VFM) arrangements looks set to remain relatively constant. It currently stands at 7 per cent (32 councils, 1 fire and rescue authority, 1 police body and 2 other local government bodies) compared to 8 per cent for 2016/17, with a further 30 conclusions for 2017/18 still to be issued.

All the opinions issued to date in relation to bodies' financial statements are unqualified, as was the case for the 2016/17 accounts. Auditors have made statutory recommendations to three bodies, compared to two such cases in respect of 2016/17, and issued an advisory notice to one body.

The most common reasons for auditors issuing non-standard conclusions for 2017/18 were:

- the impact of issues identified in the reports of statutory inspectorates – 16 bodies;
- corporate governance issues – 12 bodies;
- financial sustainability concerns – 6 bodies; and
- procurement/contract management issues – 5 bodies.

Links

Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

<https://www.grantthornton.co.uk/en/insights/a-caring-society/>

<https://www.grantthornton.co.uk/en/insights/care-homes-where-are-we-now/>

<https://www.grantthornton.co.uk/en/insights/the-rise-of-local-authority-trading-companies/>

National Audit Office link

<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

Ministry of Housing, Communities and Local Government links

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf

Institute for Fiscal Studies

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>



Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	14 November 2018
Classification:	General Release
Title:	Annual Complaints Review 2017/18
Wards Affected:	All
Financial Summary:	There are no financial implications from this report
Report of:	Sue Howell, Complaints and Customer Manager Telephone: ext 8013 E-mail: showell@westminster.gov.uk

1 Executive Summary

- 1.1 The purpose of this report is to present to the Audit and Performance Committee the Council's Annual Complaints Review for 2017/18 (**see Appendix 1**).
- 1.2 The attached report (**Appendix 1**) summarises the Council's complaints performance (complaint stages 1 & 2), complaints received from the 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 2018 (**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 2017/18 (**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. Copies of the Adults report can be found in **Appendix 3** and the Children's report in **Appendix 4**. CityWest Homes (CWH) has been operating its own complaints procedure since 1 April 2012 and also produces its own annual complaint report, and a report including information on complaints was heard at the Audit and Performance meeting that met in September 2018. CWH will be asked to provide an update at the meeting due to sit in February 2019.

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 It should be noted that most contacts from members of the public are dealt with outside the Council's complaints procedure, and there can be confusion about what constitutes a complaint. Generally when a request from a member of the public is made this is not usually considered a formal complaint. The request becomes a complaint should the person makes further contact if they consider the matter has not been dealt with satisfactorily, or to protest against the Council's policies and procedures. 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 Other concerns which cannot be dealt with under the council's corporate 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. Issues which are, or have been subject to Court action, complaints about staff and issues involving insurance claims against the Council 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 corporate complaint, and where there is not a legal, statutory procedure or an alternative complaint procedure to deal with the specific issue.

- 3.7 Information used to compile the 2017/18 annual report has come from the complaints icasework management system, which has been in operation since June 2016.

4 Findings from the Annual Complaint Review (Appendix 1)

- 4.1 The Complaints Review indicated that there was a 46% increase in the number of stage 1 complaints received. The increase the increase in volume is attributed to service areas now fully engaging with the new complaints Casework system and the use of the Council's complaints web form which is linked to the icasework system and is not an indication of poor service.
- 4.2 In 2017/18, the icasework system received 1785 completed complaint web forms and of these 1007, were dealt with as stage 1 complaints. The remaining items were passed to the relevant service areas to answer as they were making simple requests for instance e.g notifying a missed bin collection or challenging a parking ticket for which there is a separate procedure.
- 4.3 The annual report notes that the highest volume of complaints come from two Directorates which are City Treasurers (Revs and Bens) with 48% of the total, and City Management and Communities (CMC) with 38%.
- 4.4 City Treasurers (Revenues & Benefits) attracts the highest volume of Stage 1 Complaints. This needs to be considered in context that this is the only Council service that has annual contact with every resident and business in the borough (the Council has 127,000 domestic properties which results in around 160,000 Council Tax accounts per annum, has 38,000 NNDR properties and 25,000 Benefit claimants) In addition, the nature of the services , collecting debts and determining eligibility for benefit payments, will inevitably result in a number of complaints being made, however the key is not the number of complaints, but the number complaints Upheld (29%) and Partially Upheld (17%).
- 4.5 It should also be noted that there has been a % reduction in volume on the preceding year. In 2017/18 Revs and Bens represented 48% of all stage 1 complaints. In 2016/17 it was 62%.

- 4.6 Despite the volume of complaints, 95% of Revenues & Benefits Stage 1 were completed in target response time (10 working days), against the Council's average response time of 82%.
- 4.7 The increase in stage 1 complaints for City Management & Communities (CMC) from 15% in 2016/17 to 33% in 2017/18 is generally attributed to better reporting since the introduction of the icasework system as previously CMC complaints were captured on various systems some complaints may not have been reported at a corporate level so some under reporting was expected.
- 4.8 CMC has also been working to improve their responses and response times over the last year and review open cases monthly at their senior management meetings.
- 4.9 It is difficult to draw any other firm conclusion since the use of the web form had only been live for a period of about 18 months and the web form has improved the tracking and recording complaints. Volumes will be closely monitored to see if the increase is a continuing trend.
- 4.10 The rest of the headline findings can be found in **Item 4 of Appendix 1** (page 3 of Annual complaints review). When reviewing performance relating to stage 1 response times (**Section 7**, pages 7 to 8), please note the complaints procedure has a target response time of 10 working days at both stage 1 and stage 2.
- 4.11 When reviewing the information in the report on reasons for complaining **Item 9** page 10, please note that this information is collected at a high level so the themes used can be applied to all the service areas.
- 4.12 Please also note the 22% reduction of stage 2 complaints when compared with 2016/17. This reduction came from Revs and Bens and in particular from Housing Benefit complaints. The service attributed this reduction to an improvement in the standard of stage 1 responses.
- 4.13 There have been no significant service failures found at stage 2 of the complaints procedure and only 4% (4 of 113 complaints) were upheld at the final stage. This suggests that the service areas are generally putting things right at the first stage of the procedure.
- 4.14 It should also be noted that the Local Government Ombudsman (LGO) Annual Letter for 2017/18 was not published at the time the Annual Review was drafted. This is now available (**Appendix 2**).
- 4.15 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.

- 4.16 The information provided in the Annual letter also reports on complaints and all general enquiries made about Westminster City Council's services, and in total there were 133 of these. However, as seen in the **table1** below only 35 of these cases (26%) were formally investigated by making enquiries with the Council. A further 39 cases (29%) the LGO decided to close the case without investigation. There were 57 cases were returned to the Council and these mainly were referrals back into the Council's complaints procedure. Overall the statistics provided in the Annual letter represented an improved performance on the preceding year.

Table 1. A comparison of our performance based on the Annual letters for 2017/18 and 2016/17

	2017/18	2016/17	
Total number of complaints and enquiries	133	122	increase
Cases referred back to Council or advice given or cases not completed for valid reasons	57 (43%)	51 (42%)	improvement
Cases closed after initial enquiries made	39 (29%)	31 (25%)	improvement
Total number of cases formally investigated	35 (26%)	40 (33%)	improvement
Cases Upheld	20 (15%)	21 (17%)	improvement
Cases Not Upheld	15 (11%)	19 (16%)	improvement

NB: The % is calculated using the total number of complaints and enquiries received for the relevant year

- 4.17 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.
- 4.18 The information in **table 2** below provides a breakdown of 24 London borough's performance ranked by the total of complaints and enquiries received. The Council will attract a number of enquiries and complaints as we have far more visitors to our City on a daily basis than other boroughs and because social housing is in high demand and there is a shortage of housing within the borough.

Table 2: Breakdown of the 24 London Borough's LGO performance measured against the total number 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	53	27	5	6	49%	30%
Kensington & Chelsea	82	40	10	7	52%	27%
Hammersmith and Fulham	83	40	4	14	51%	28%
Wandsworth	99	41	6	12	59%	23%
Tower Hamlets	100	55	12	17	73%	25%
Barking	108	42	3	12	61%	25%
Islington	114	41	5	11	39%	23%
Hounslow	120	37	6	10	58%	27%
Greenwich	120	58	5	22	48%	33%
Hackney	121	48	7	20	74%	19%
Camden	127	57	8	17	44%	43%
Westminster	131	74	15	20	66%	23%
Enfield	140	51	12	16	42%	24%
Lewisham	141	54	8	16	59%	15%
Hillingdon	142	86	11	20	51%	15%
Redbridge	149	90	21	36	42%	21%
Waltham Forest	160	101	14	24	46%	31%
Southwark	162	75	10	27	54%	23%
Brent	162	74	12	21	54%	25%
Barnet	165	81	13	19	75%	32%
Haringey	185	92	19	24	50%	26%
Lambeth	189	79	16	30	55%	26%
Ealing	192	88	20	18	44%	26%
Newham	227	104	16	35	48%	15%

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 Royal Borough of Kennsington and Chelsea have now decided not proceed with a Bi Borough Corporate Complaints team. They will pursue their own sovereign team. They have however decided to adapt the icasework work system for complaints and FOI, and this will help unify processes and reporting for Freedom of Information requests and Adults and Children's statutory complaints procedures which all are bi borough services.

6 Financial Implications

There are no financial Implications associated with this report.

7 Legal Implications

There are no legal implications associated with this report.

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

Sue Howell, Complaints and Customer Manager

E-mail: showell@westminster.gov.uk

BACKGROUND PAPERS

None



City of Westminster

Annual Complaints Review 2017/18

June 2018

For further information contact: Sue Howell,
Complaints and Customer Manager

Telephone: ext. 8013

Email: showell@westminster.gov.uk

1. Introduction

- 1.1 This report presents complaints performance trends and for 2017/18, and a comparison of performance for 2016/17 and 2017/18 across stage 1 and stage 2 of the corporate complaints procedure. 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 oversight, 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.

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 continue to oversee, train and develop the use of the iCasework complaints management system. Generally, there is good use of the system although there continues to be some localised training issues in the way data is being entered on the system. The Corporate Complaints team is also still cleaning up data so to produce the quarterly reports to the Executive Leadership Team. As a consequence the Complaints Team is having to review data on a monthly basis until such time as the organisation has truly embedded this system into its operation.
 - In 2017/18, it was proposed that the Council and the Royal Borough of Kensington and Chelsea consider the case for a Bi Borough Complaints and Requests for Information solution. This project work was delayed although project scoping work commenced in June 2018.
 - The aim of the project was to deliver efficiencies and improved customer satisfaction through best practice, common processes and a single IT solution, while respecting the sovereignty of each Borough. In scope was the bringing together of Corporate Complaints procedures, ICT systems and central functions in RBKC and WCC, although it may exclude certain types of complaints in accordance with each council's corporate complaints policy. The project would also consider if the Statutory Complaints systems and functions from bi-borough Adult Social Care and Children's Services could also come into scope.

4. **Headline Findings**

Complaint Numbers

- 4.1. There has been a 34% increase in complaints across all stages of the procedure when compared with 2016/17. Generally, the increase in volume is attributed to the take up of the complaints iCasework system.
- 4.2. 1785 customers have used the complaints web form in 2017/18, and of these 1007 cases were answered by the various service areas as stage 1 complaints.

Stage 1

- 4.3. **Complaint volume** - There has been a 46% increase in the volume of stage 1 complaints – the increase is attributed to increased use of the iCasework system which provides more reliable reporting
- 4.4. Three Directorates deal with complaints in significant volume, and City Treasurers has seen a reduction of stage 1 complaints from 62% in 2016/17 to 42% in 2017/18.
- 4.5. **Response Times** – 82% of stage 1 complaints were responded to within target response time (10 working days) against 84% in 2016/17. An average response time of 80% or over is considered a good performance.
- 4.6. **Complaint Outcomes** – 27% of stage 1 complaints were Upheld against 24% for 2016/17
- 4.7. **Most common causes of complaints** – The most common causes are failures to do something and delays in doing something.

Stage 2

- 4.8. **Complaint Volume/Escalation** - 113 stage 2 complaints were received against 145 complaints for 2016/17
- 4.9. **Escalation from stage 1 to stage 2** – Although there has been a 46% increase in the volume of stage 1 complaints there has been no increase in the % of complaints escalating to stage 2. In 2016/17 the escalation rate from stage 1 to stage 2 was 21% and for 2017/18 it is 11% (down 10%). This percentage reduction is a more reliable indication that complaints are being resolved at stage 1 of the procedure.
- 4.10. **Response Times** – There has been a 9 % reduction in stage 2 response time with 56% of stage 2 complaints being completed in target response time for 2017/18 against 65% in 2016/17. The slowing down is attributed to one of the two complaint investigators commencing a secondment half way through the financial year.
- 4.11. **Complaint Outcomes** - 4% of all stage 2 complaints were Upheld against 4% in 2016/17
- 4.12. **Reasons to Escalate** - Of all stage 2 complaints 47% had no specific reason for the escalation.

Local Government Ombudsman (LGO)

- 4.13. **Volume** - There was a decrease in LGO first time enquiries 34 received in 2016/17 against 22 in 2017/18.

- 4.14. **Response Times** - 73% of first time enquires were completed in target response time against 65% in 2016/17
- 4.15. **LGO Annual letter** - At the time of drafting this report the LGO Annual letter had not been issued/received (due on 18July 2018)
- 4.16. **Complaint Outcomes** – No formal published public reports finding maladministration with injustice have been issued

Leader and Cabinet Member Correspondence

- 4.17. 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 2016/17 and 2017/18

	2016/17	2017/18	Variance	% change
Stage 1	691	1007	319	46%
Stage 2	146	115	-31	-21%
Total	837	1122	285	34%

- 5.1. As indicated in **Table 1** there has been a 34% overall increase across all stages of the procedure when compared with 2016/17. Generally, the increase in volume is attributed to the take up of the complaints iCasework system and the use complaints web form which is linked to the system. More customers are choosing to use the complaints web form and in 2017/18, the system received 1785 web forms and of these 1007 were passed over to answer as stage 1 complaints. The remainder of the cases were dealt with by the service areas as enquiries. As the cases are captured on the system at source they can be tracked and the data used for the monitoring of performance. The use of the new system means there is less chance of under reporting as previously service areas used a number of different systems and were required to be manually recorded.

Stage 1

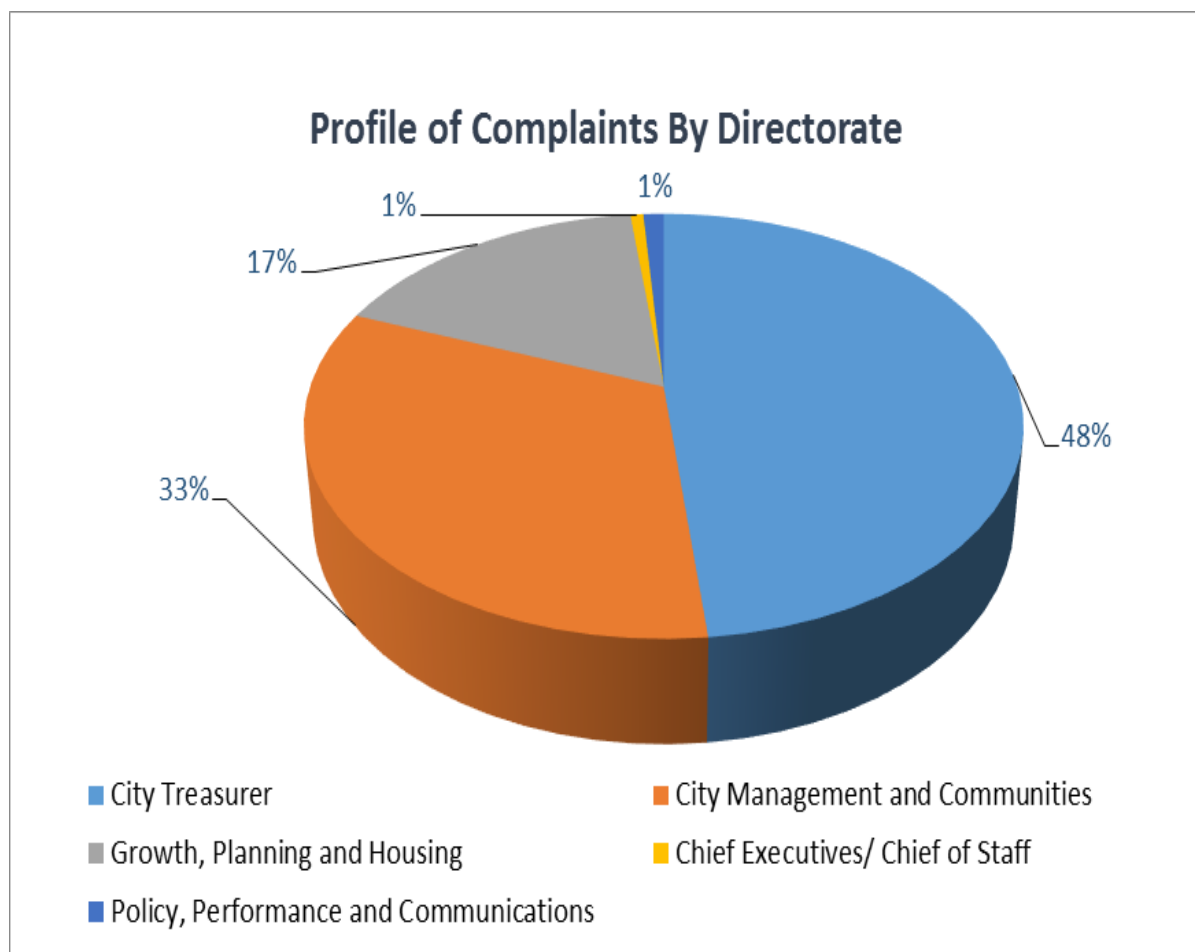
Number of stage 1 complaints received - 1007

- 5.2. **Stage 1 Date - Period Captured – complaints recorded between 1st April 2017 to March 31st 2018**
- 5.3. There has been a 46% increase in the volume of stage 1 complaints received when compared with the previous year. The increase is attributed to the take up of the iCasework system as explained in item 5.1.

Table 2 - All complaints made by Directorate 2017/18

Directorate	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
City Treasurer	91	103	118	175	487
City Management and Communities	57	80	108	84	329
Growth, Planning and Housing	50	49	30	44	173
Chief Executives/ Chief of Staff	6	0	1	0	7
Policy, Performance and Communications	1	3	3	4	11
Total	205	235	260	307	1007

Chart 1 - Profile of complaints made by Directorate in 2017/18



5.4. As seen in **Chart 1** three Directorates deal with complaints in significant volumes as recorded in iCasework. In 2016/17 the situation was similar. However, there has been a change in the percentage of complaints with a reduction from 62% in 2016/17 to 48% in 2017/18 for City Treasurers (Revs and Bens). There was also an increase for City Management & Communities (CMC) from 15% in 2016/17 to 33% in 2017/18.

5.5. In looking to determine why there has been an increase in % volume of CMC complaints it is worth noting that prior to the introduction of the iCasework system complaints were captured on various systems some complaints may not have been reported at a corporate level so some under reporting was expected. It is therefore difficult to draw any other firm conclusion especially since the use of the web form went live in September 2016/17 as this has improved the tracking and recording from complaints from this Directorate. In view of this complaint volumes will be closely monitored to see if the increase is a continuing trend.

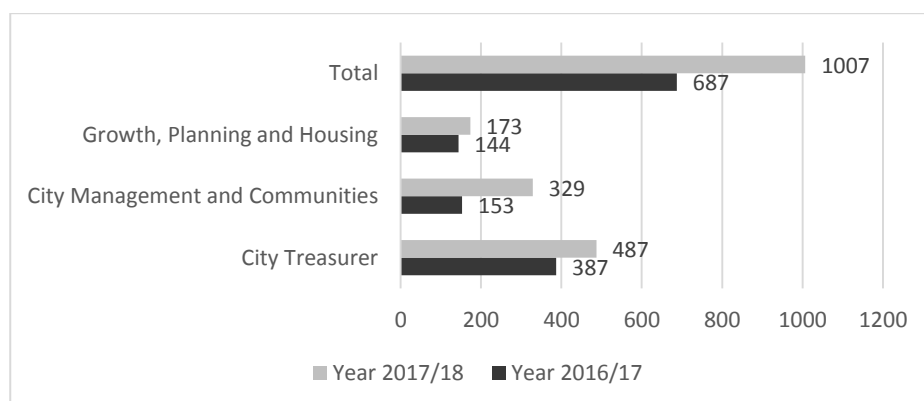
6. Number of Complaints by Divisions within each Directorate

6.1. **Table 3** below contains all complaints received in 2017/18 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 3 - Complaints by Divisions within Directorates

Directorate/ Division	Qtr 1 Complaints	Qtr 2 Complaints	Qtr 3 Complaints	Qtr 4 Complaints	Total	% of all Complaints
City Treasurers	91	103	118	175	487	48%
<i>Housing Benefit</i>	56	63	62	95	276	27%
<i>Council Tax</i>	31	39	48	75	193	19%
<i>Business Rates</i>	4	1	8	5	18	2%
City Management and Communities	57	80	108	84	329	33%
<i>Waste and Parks</i>	6	19	33	17	75	7%
<i>Public Protection and Licensing</i>	14	18	21	13	66	7%
<i>Parking Services</i>	14	19	16	19	68	7%
<i>Highways and Public Realm</i>	11	11	21	17	60	6%
<i>Libraries and Archives</i>	8	2	9	3	22	2%
<i>Community Services (Sports)</i>	4	10	8	15	37	4%
<i>Residential Services</i>	0	1	0	0	1	0%
Growth, Planning and Housing	50	49	30	44	173	17%
<i>Development Planning</i>	20	22	10	20	72	7%
<i>Housing</i>	29	26	19	22	96	10%
<i>Corporate Property</i>	1	1	1	2	5	0%
Chief Executives	6	0	1	0	7	1%
<i>Electoral Services</i>	6	0	1	0	7	1%
Policy, Performance and Communications	1	3	3	4	11	1%
<i>Campaigns / Engagement</i>	1	0	2	2	5	0%
<i>City Promotions, Events and Filming</i>	0	3	1	2	6	1%
Total	205	235	260	307	1007	100%

Chart 2 - Comparison of stage 1 volumes across the three directorates who have the volume of complaints



7. Stage 1 Response times

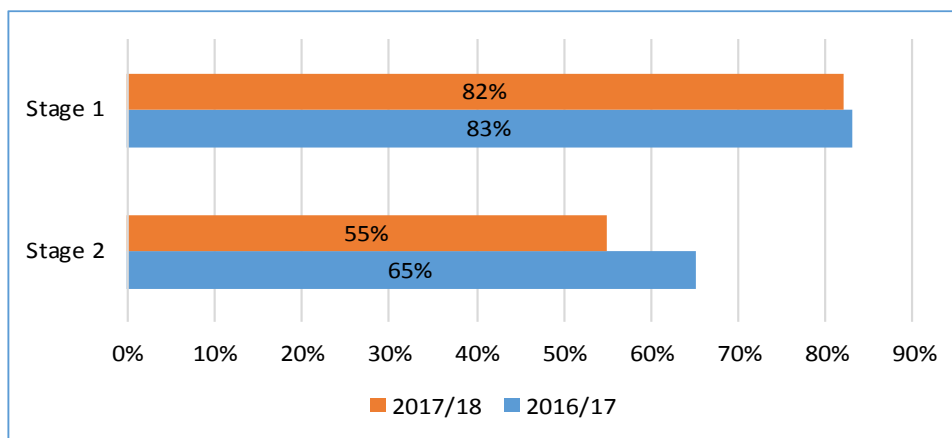
Speed of response for all Directorate across 2017/18

7.1. The target response time for replying to a stage 1 complaint is 10 working days. Performance is therefore measured by:

- Complaints completed in target response time (0 to 10 days)
- Those completed in 11 to 20 days
- Those complaints that took over 20 days.

An average response time of 80% or above for responded to stage 1 complaints is considered a good performance. As seen in in **Chart 3** below across all services the average response time was 82%. This is slightly down on 2016/17 when the average response time was 83%

Chart 3–Average Response Times across all Directorates for 2017/18



7.2. **Table 4** and **Chart 4** and **Chart 5** below show how departments and Divisions/service Areas have performed in more detail

Table 4 -Response Time Tables for 2017/18 (withdrawn cases omitted)

Stage 1	Totals within target response time	Total for 2017/18	% within target response
City Treasurers	450	476	95%
City Management and Communities	215	317	68%
Growth Planning and Housing	125	170	74%
Policy, Performance and Communications	6	11	55%
Chief Executives/Chief of Staff	7	7	100%
Total	803	981	82%

Chart 4 - Response Time by Directorates

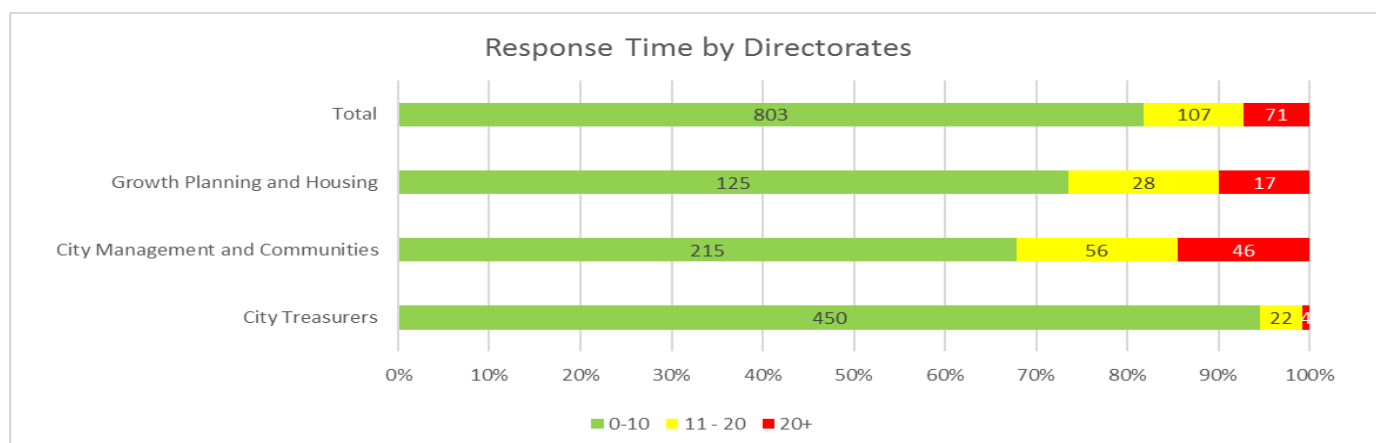
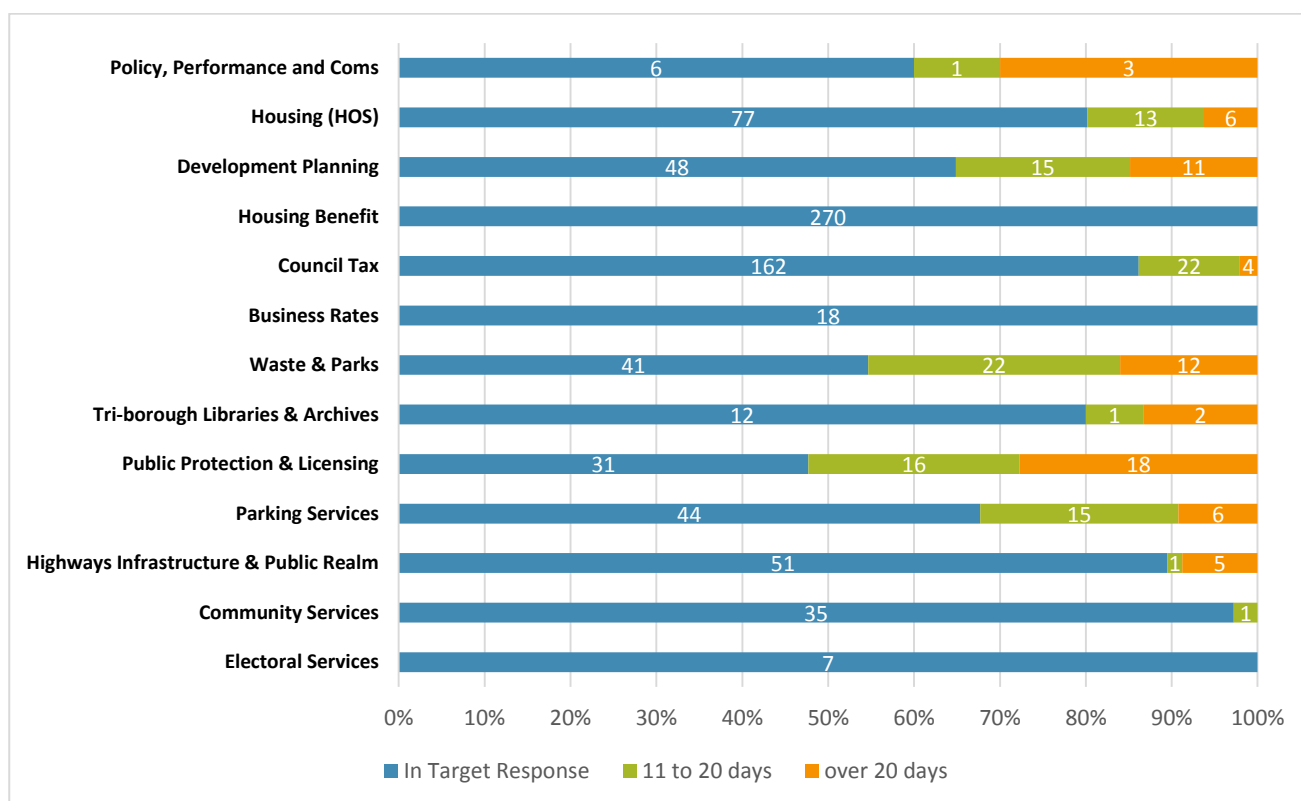


Chart 5 - Time Taken to Respond at a division level



7.3. Waste and Parks, met the target response time in 55% of all complaints and Public Protection and licensing met the response time in 48% of all stage 1 complaints. This has affected the average response time for the CMC directorate which is 68%.

7.4. Information in **Table 5** below and **Chart 5** above indicate the service areas where complaints are taking longer than 20 days. There will always be some complaints that take longer to resolve due to their complex nature, for instance complaints about planning matters. However, it is important that services do all they can to reply as quickly as possible and to make sure they keep the customer informed of any delays.

Table 5 - Complaints that took over 20 days Across all directorates

Directorate	Complaints (resolved complaints only)	Over 20 days	% of resolved complaints that took over 20 days
City Treasurer	475	2	0.4%
City Management and Communities	300	34	11.3%
Growth, Planning and Housing	152	14	9.2%
Others	18	2	11.1%
Overall	945	52	5.5%

8. Complaint Outcomes

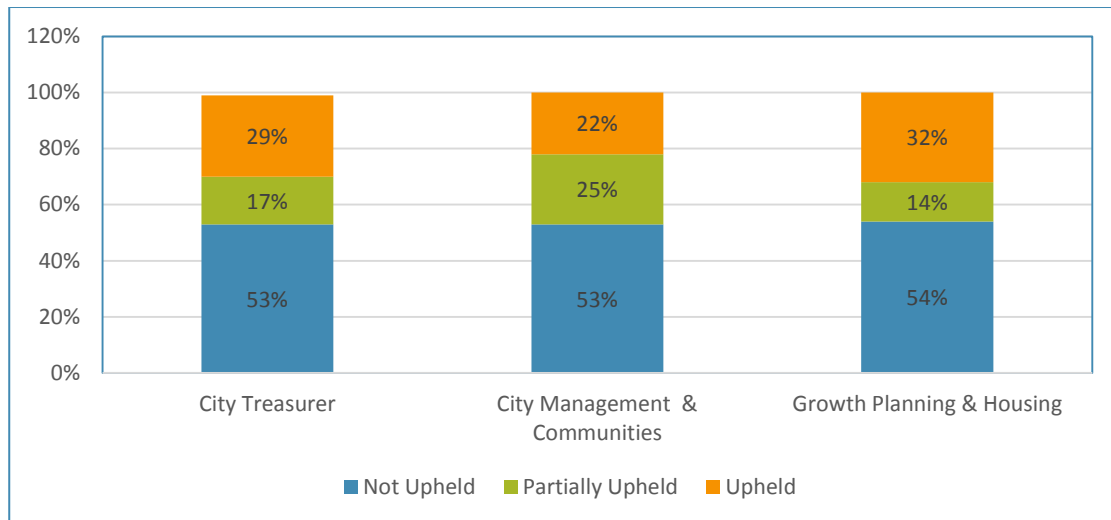
- 8.1. All outcomes should clearly explain if the Council considers whether anything went wrong and if it has was will be done to put it right. The complaint response should also clearly set out the complaint decision or outcome and complaint outcomes are recorded as Upheld, Not Upheld or Partially Upheld.
- 8.2. It is generally accepted that at stage 1 while there will be a higher percentage of complaints that are not upheld there will also be a number of complaints where some fault has been found and mistakes have been made. That said a high percentage of not upheld complaints at stage 1 can indicate that there is good service delivery although it is expected that fault will be found.
- 8.3. As seen in **Table 6** below In 2016/17 the 60% of stage 1 complaints were Not Upheld against 54% for 2017/18. Although the variance in percentage is small no firm conclusion can be drawn from this comparison. However, performance will be monitored over the next two years to see if it is a trend.
- 8.4. What is of real interest is this looking at the escalation rate from stage 1 to stage 2, those complaints that are upheld at stage 2 and the reasons for the complaints. These issues are address later in this report.

Table 6 - Comparison of complaint outcomes for 2016/17 & 2017/18

Stage 1				
	2016/17	as %	2017/18	as %
Not Upheld	371	60%	528	54%
Partially Upheld	101	16%	186	19%
Upheld	145	24%	267	27%

- 8.5. At a Directorate level the profile of complaint decisions as set out in **Chart 6** below. This report notes that there is a similar ratio of complaint decisions in each directorate. This decision pyramid is what we would expect to see at stage 1 of the complaint procedure.

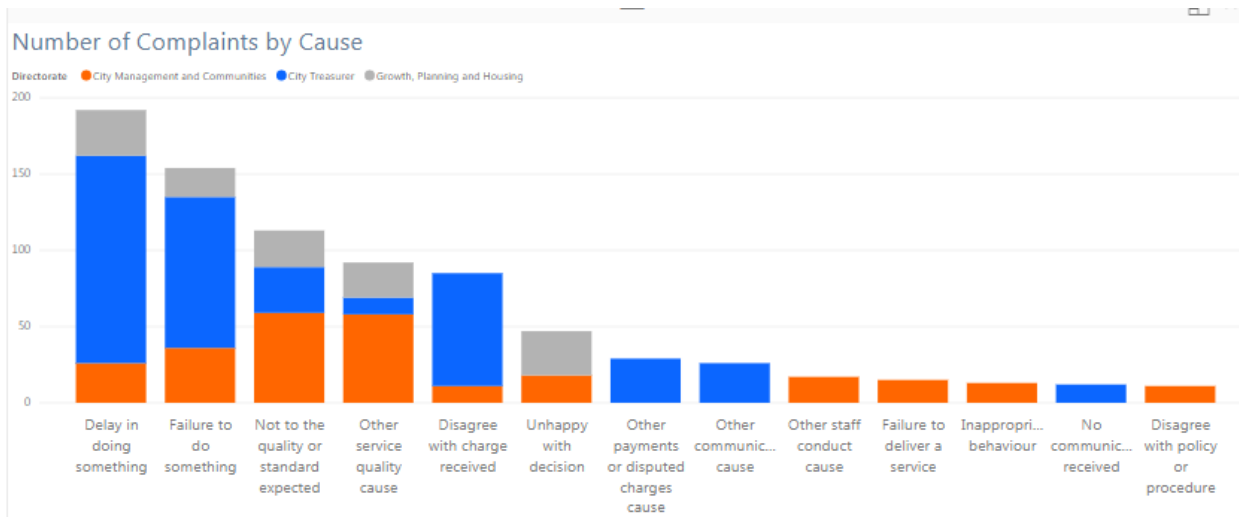
Chart 6 - Outcomes by Directorate



9. Reasons for Complaining

- 9.1. As seen in **Chart 7** indicates that delay/failure to do something is the main reason for complaining across all the services at stage 1 of the complaints procedure. City Treasurers will attract more complaints from people who disagree with charges as a more detailed look at data revealed that is reference to the amount of HB awarded or some are from Council Tax where there has been debt recovery action from enforcement agent and there are objections to the amount of bailiff fees.
- 9.2. **Chart 7** also indicates that services have similar sounding causes of complaint therefore the system would benefit from unifying some of the causes of complaints so it is clearer to understand.

Chart 7 - Cause of complaint by Directorate



Stage 2

10. Complaint Volumes at stage 2

10.1. Number of Stage 2 Complaints in the Year – 115

10.2. Number of stage 2 complaints in 2016/17 - 145

10.3. As seen in **Table 7** there has been a 22% reduction in the volume of stage 2 complaints when compared with the previous year. The reduction in complaints has come from City Treasurers (Housing Benefit and Council Tax). **Chart 8**, indicates the volume of cases for each four quarters and the number of complaints in Quarter 4, at 41 was double the previous quarter (21) and higher than both the first two quarters in 2017/18. This indicates the impact of the reduction complaints from City Treasurers escalating from stage 1 to stage 2.

10.4. The reduction 22% reduction is simply a comparison with volume from the previous year and on its own it is not a good indicator that complaints are being resolved when they enter the formal complaints procedure. However, this report has also indicated that there has been a 46% increase in the volume of stage 1 complaints and with such an increase you would also expect to see a corresponding increase in the volume of stage 1 complaints escalating to stage 2 of the procedure, and this has is not what happened. In 2016/17 the escalation rate from stage 1 to stage 2 was 21% and for 2017/18 it is 11%. This percentage reduction is a more reliable indication that complaints are being resolved at stage 1 of the procedure. **Table 8** provides a breakdown of the escalation rate across all directorates by division for 2017/18.

Table 7 - A comparison of stage 2 volumes by Divisions within each directorate for 2017/18 & 2016/17 (withdrawn cases removed)

Directorate and Division	2016/17 Directorate and Division	2017/18 Directorate and Division	Variance	Variance by %
City Treasurer	90	50	-40	-44%
Housing Benefit	49	33	-16	-33%
Council Tax	34	16	-18	-53%
Business Rate	4	1	-3	-75%
City Management and Communities	30	34	4	13%
Parking Services	12	13	1	8%
Public Protection and Licensing	10	9	-1	-10%
Waste and Parks	3	5	2	67%
Community Services	0	3	3	
Libraries and Archives	5	3	-2	-40%
Highways and Public Realm	0	1	1	
Growth, Planning and Housing	21	24	3	14%
Housing	14	16	2	14%
Development Planning	7	8	1	14%
Others	4	5	1	25%
Children's Services – SEN	3	3	0	0%
Chief Execs – Electoral Services	1	1	0	0%
Policy, Perf & Communications-Events	0	1	1	
Total	145	113	-32	-22%

Chart 8 - The Number of stage 2 complaints captured each quarter for 2017/18

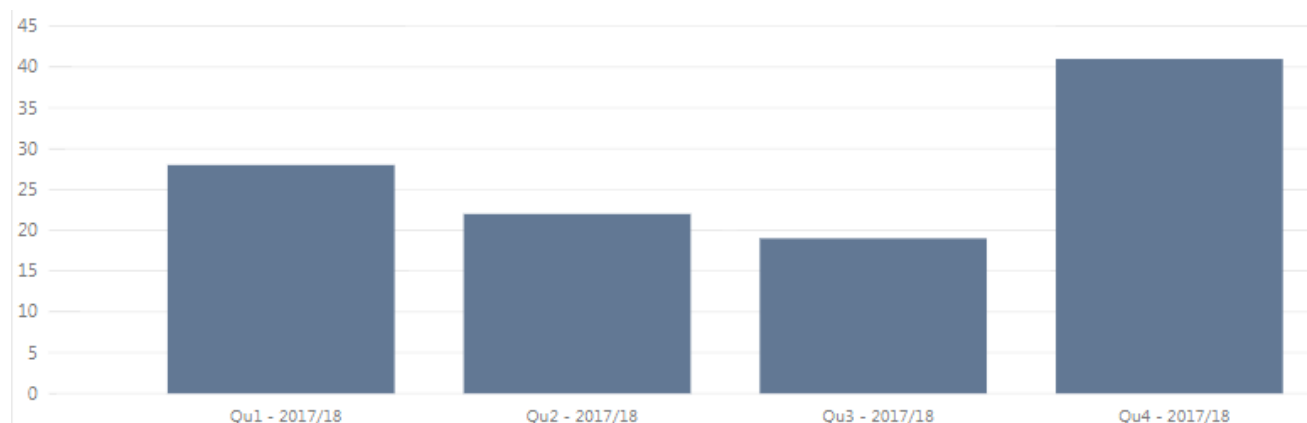


Table 8 – The Escalation rate from stage 1 to stage 2 across all directorates for 2017/18

Directorate	Division	Stage 1	Stage 2	Escalation Rate
Chief Executives/Chief of Staff	Electoral Services	7	1	14%
Total		7	1	14%
City Management & Communities	Waste and Parks	74	5	7%
	Parking Services	68	14	21%
	Public Protection and Licensing	67	9	13%
	Highways Infrastructure and Public Realm	60	1	2%
	Community Services	37	4	11%
	Libraries and Archives	22	3	14%
Totals		328	36	11%
City Treasurer	Housing Benefit	276	34	12%
	Council Tax	193	16	8%
	Business Rates	18	1	6%
Total		487	51	10%
Growth, Planning and Housing	Housing	96	16	17%
	Development Planning	72	9	13%
	Economy and Infrastructure	4	0	0%
	Property Investments and Estates	2	0	0%
Total		174	25	14%
Policy, Performance and Communications	City Promotion, Events and Filming	6	0	0%
	Campaigns and Customer Engagement	5	0	0%
Totals		11	0	0
	Westminster Totals	1007	113	11%

11. Response times to Complaints

- 11.1. As indicated in **Table 9** below response times have slowed when compared with 2016/17 and overall the target response was met in 56% of complaints for 2017/18 against 65% in 2016/17 (down 9%). The reduction in meeting the target response time was due in part to one of the complaint investigators commencing a secondment in August 2017, therefore the majority of complaints were investigated by the remaining complaints investigator, and also because there have been a number of complex investigations which have taken time to understand and resolve.
- 11.2. It is not clear why only 37% of City Management & Communities were responded to in target response time especially when in the preceding year the target response time was 48% for a similar number of complaints. A possible explanation was that a more detailed look at the data revealed that of the 34 stage 2 complaints 25 were received between August and March, and this was the period that the complaints team only had one main complaints investigator. It is also worth noting that only 4 CMC complaints took over 20 days to answer and the majority of CMC complaints were answered between 11 to 20 days.

Table 9 – A comparison of Response Time to Complaints by Directorate for 2016/17 & 2017/18

- Note 2 complaints have been withdrawn hence 113 not 115

Directorate	2017/18					2016/17				
	0-10 days	11-20 days	21+ days	Total	% in target response	0-10 days	11-20 days	21+ days	Total	% in target response
City Treasurer	30	15	5	50	60%	64	22	6	92	70%
City Management & Communities	13	18	4	35	37%	23	6	5	34	68%
Growth, Planning & Housing	17	4	2	23	74%	11	9	3	23	48%
Chief Exec's	1	0	0	1	100%	1	0	0	1	100%
Policy Performance & Comms	0	1	0	1	0%	0	0	0	0	no complaints
Children's	2	1	0	3	67%	0	0	2	2	0%
Total	63	39	11	113	56%	99	37	16	152	65%

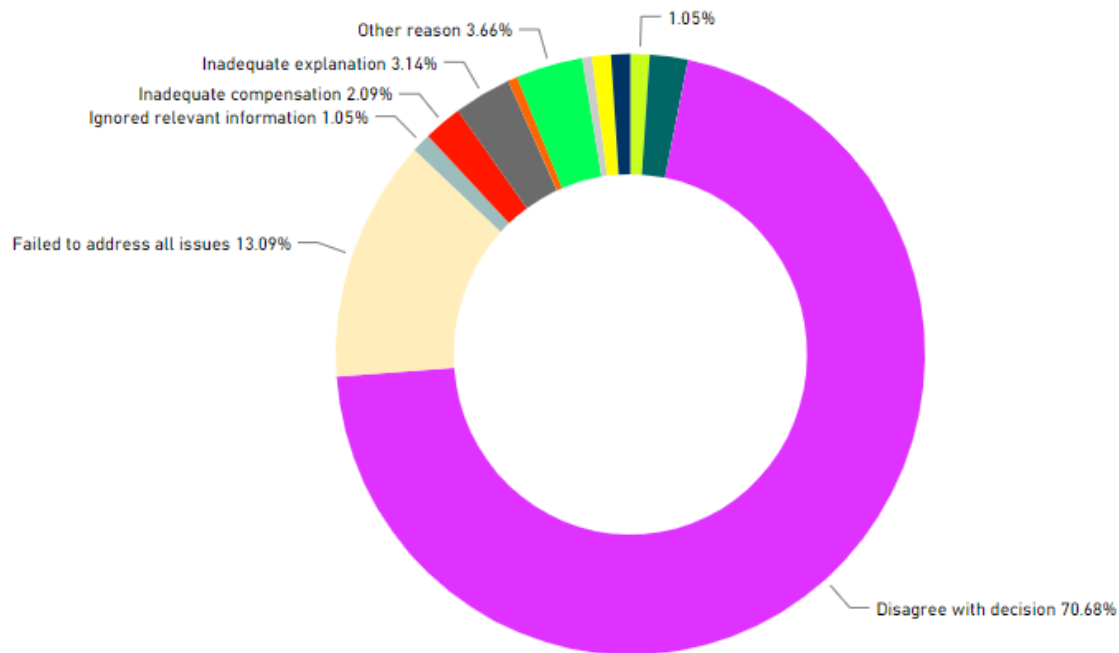
Table 10 - Number & Percentage number of complaints that took over 20 days to answer

Directorate	Complaints (resolved complaints only)	Over 20 days	% of complaints that took over 20 days
City Treasurer	50	4	8%
City Management & Communities	35	4	11%
Growth, Planning & Housing	23	1	4%
Policy, Performance & Communications	1	0	0%
Chief Executives/Chief of Staff	1	0	0%
Children's services	3	0	0%
Overall	113	9	8%

12. Reasons for complaints

- 12.1. The Figure 1 below indicates that 70% of stage 2 complaints gave no specific reason(s) for escalating their complaint to stage 2 other than to generally disagree with the stage 1 finding. Of those complainants who did cite per specific reasons for their dissatisfaction with the stage 1 decision 8.86% cited failing to address all the issues at stage 1 and 3.8% of complainants cited a delay in handling their stage 1 complaint as the main reason.

Figure 1 - Reasons for complaint



- 12.2. **Table 11** below shows stage 2 outcomes by initial cause of complaint. This is the cause of the complaint when it went to stage 1. Only 3 reasons had 5 or more cases and therefore the numbers are too small to draw a conclusion that a particular reason for complaint is likely to lead to a particular outcome. Currently data suggests that delays and failure (process) to do something are more likely to ultimately lead to a complainant having a successful outcome, than complaining about a decision (policy). We will continue to monitor over the next two years to see if a trend develops.

Table 11 – Initial Cause of Complaint

<i>Initial Cause</i>	<i>Total of Complaints</i>	<i>Number Upheld or Partially Upheld</i>	<i>As a % of all stage 2 complaints</i>	<i>% Upheld or partially upheld</i>
<i>Failure to do something</i>	32	8	28%	25%
<i>Delay in doing something</i>	16	3	14%	19%
<i>Unhappy with a Decision</i>	10	1	9%	10%
<i>Not to quality or standard expected</i>	6	3	5%	50%
<i>Disagree with charge received</i>	6	1	5%	17%
<i>Disagree with policy or procedure</i>	5	0	4%	0%
<i>All others</i>	38	10	34%	26%
All Stage 2 complaints	113	26	100%	24%

13. Outcome by Directorate

- 13.1. As indicated in table 12 only 4% of stage 2 complaints were upheld. The percentage figure is the same for 2016/17. This is a good indicator that stage 1 is finding and rectifying any fault as we would see more upheld complaints if this werenot the case. As seen in **Table 13** three of the 4 complaint that were upheld came from City Treasurers (Revs & Bens). This is to be expected considering that City Treasurers represents 44% of all stage 2 complaints therefore you would expect to find most of the upheld decisionin this directorate.

Table 12 – Comparison of stage 1 and 2 outcomes/decision for 2016/17 7 2017/18

	Stage 1			Stage 2		
	2016/17	2017/18		2016/17	2017/18	
Not Upheld	371 (60%)	529 (54%)	▼	120 (83%)	87 (77%)	▼
Partially Upheld	101 (16%)	187 (19%)	▲	21 (14%)	21 (19%)	▲
Upheld	145 (24%)	267 (27%)	▲	4 (3%)	4 (4%)	▲

Table 13 – Stage 2 outcome by Directorate for 2017/18

Directorate	Not Upheld	Partially Upheld	Upheld	Total	% Upheld
City Treasurer	39	8	3	50	6%
City Management & Communities	27	8	0	35	0%
Growth, Planning & Housing	18	4	1	23	4%
Children's / Cex/ PPC	4	1	0	4	0%
Total	88	21	4	112	4%

14. Local Government Ombudsman (LGO) – First time enquiries

- 14.1. The Local Government Ombudsman (LGO) has not yet issued its Annual Letter to the City Council and this is due in July 2018. In view of this the LGO has not yet commented on the Council's performance for the whole year therefore this report will just focus on those LGO complaint investigations where First time enquiries have been made. Once the Annual Letter is issued a short report on the Council's performance for the whole year will be produced for ELT.
- 14.2. 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 enquiries". The LGO expect the local authority to reply to its concerns by the due date given in each letter therefore we measure performance on response times an average of cases meeting the due date.

Table 14 – A comparison of volume of First Time Enquiries for 2016/17 & 2017/18

	First Time enquiries Totals 2016/17	First Time enquiries Totals 2017/18	Variance
City Treasurer - HB	8	4	-4
City Treasurer- CT/NNDR	7	2	-5
GPH - HOS	8	4	-4
GPH - Planning	2	1	-1
CMC - Parking	0	0	0
CMC - Highways & Infrastructure	1	2	1
CMC- Public Protection & Licensing	1	2	1
CMC - Waste & Parks	0	1	1
Adult's	5	3	-2
Children's Services	2	3	1
Totals	34	22	-12

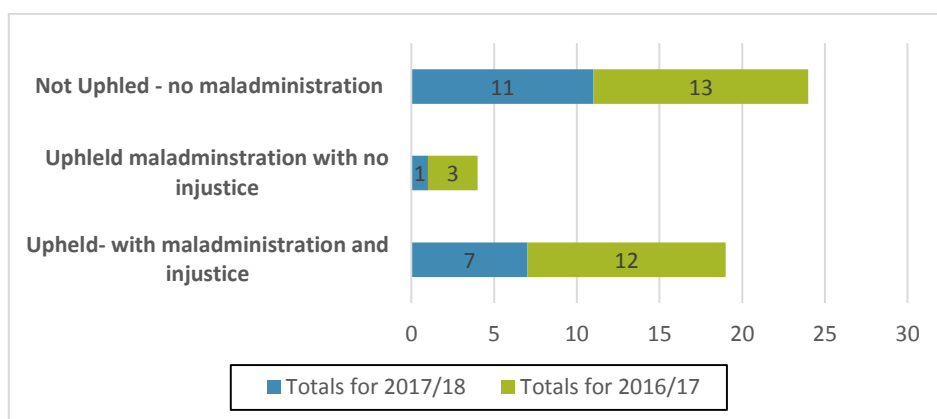
- 14.3. As shown in **Table 14** there was a decrease (down 12) in the number in the number of first time enquiries when compared with the preceding year. This report also notes that these first time enquiries include 3 cases from Adults Social Care which were not investigated under the Council's Corporate Complaints Procedure as they were dealt with under the statutory procedure

Table 15 – A comparison of first time enquiries completed in target response time

2017/18	Number of enquiries completed in target response time	Number of first time enquiries	% Completed in time
City Treasurer-CT/NNDR	1	2	50%
City Treasurer - HB	4	4	100%
CMC- Public Protection & Licensing	2	2	100%
CMC - Highways & Infrastructure	2	2	100%
CMC - Waste & Parks	1	1	100%
GPH - HOS	0	4	0%
GPH - Planning	1	1	100%
Children's	2	3	67%
Adults	3	3	100%
Totals	16	22	73%

- 14.4. Overall 73% of all first time enquiries were responded on time. This is an improvement on the previous year as 65% of first time enquiries were completed on time
- 14.5. Generally, all services try and respond to the questions asked as quickly as possible. Delays can occur when the information asked for is complex, or where the reply sent back to the Complaints Team was not adequate and resulted in a request that the service looks again at the questions asked and provides a fuller response. The complaints team does not have a particular concern regarding a directorate's performance.
- 14.6. While the Council has received 22 first time enquiries in 2017/18, to date 19 decisions have been issued. **Chart 9** below provides a comparison of decision issued by the LGO on first time enquiries. Please note that the decision finding of Upheld – maladministration with no injustice indicates that only minor fault was found and the fault did not require a remedy.

Chart 9 – A Comparison of LGO decision on first time enquiries for 2016/17 & 2017/18



- 14.7. There were no formal published reports issued against the Council finding maladministration with injustice for 2017/18. The last published public report issued against the Council was in 2013 and involved families who were staying in bed and breakfast accommodation beyond the statutory six week period allowed.
- 14.8. The reference to a formal published report should not be confused with the decisions finding of Upheld – Maladministration with Injustice as recorded in **Chart 9** above. These are cases where the LGO is satisfied with the Council's proposed action to remedy a complaint and therefore it is not appropriate to issue a report under S30(1B) of the Local Government Act. If a formal published report under S30(1B) of the Local Government Act is issued the decision finding would be recorded as **Report issued: Upheld; maladministration and injustice**.

Compensation

- 14.9. The LGO can award financial payments as part of a remedy for the complaint. **Table 16** below provides a comparison of financial compensation settlements for 2016/17 & 2017/18, and there has been a reduction in the number and total amounts of payments made when compared with the previous year.

Table 16 - A comparative breakdown of LGO financial remedies for the years 2017/18 and 2016/17

Financial Local settlements	2017/18	nos of cases		2016/17	nos of cases
GPH - HOS	£150	1		£4,700	2
City Treasurer- HB/CT	£550	3		£870	3
Adults	nil	0		£100	1
Children's	£400	1		£400	1
Totals	£1,100	5		£6,070	7

- 14.10. However, while there has been a significant decrease in compensation paid (down £4,970 when compared with the previous year). It is difficult to make performance comparisons between financial years as each complaint is dealt with on its own merits.

15. Leader and Cabinet Members Correspondence

- 15.1. 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.
- 15.2. 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.
- 15.3. The quality of the responses is quite high overall and provides enough information to compile a full response to the correspondence. There are times however when some of the information is very technical and it needs to be put into more layman's terms for the resident.

- 15.4. From the backbench members, as in previous years, the main theme of correspondence/enquiries over the last year has been on housing (including high numbers on temporary accommodation and waiting/transfer lists).
- 15.5. The iCasework case management system has been in full use by the Cabinet Secretariat and Member Services team since 1 September 2016. This ensures that we keep an accurate record of correspondence received and answered. It also means that we can continue to monitor and meet our targets of acknowledging requests within in 24 hours and providing a response in ten working days.
- 15.6. The data provided in Table 9 indicates that there has been an increase 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.
- 15.7. **Table 9: A breakdown of correspondence totals received by Cabinet Portfolio**
Please note that correspondence received by the Leader has been distributed to the portfolios it relates to and not attributed to the Leader as a separate portfolio. Correspondence in relation to CityWest Homes is included under the Housing portfolio.

Portfolio	2017/18	2016/17
Adult Social Services and Public Health	20	15
Planning and Public Realm	32	55
Housing	138	167
City Highways	82	60
Business, Culture and Heritage	5	1
Children, Families and Young People	12	30
Finance, Property and Corporate Services	73	52
Public Protection and Licensing	65	18
Environment, Sports and Community	53	27
Totals	480	425

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Local Government & Social Care OMBUDSMAN

18 July 2018

By email

Stuart Love
Chief Executive
Westminster City Council

Dear Stuart Love,

Annual Review letter 2018

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGSCO) about your authority for the year ended 31 March 2018. 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.

Complaint statistics

In providing these statistics, I would stress that the volume of complaints does not, in itself, indicate the quality of the council's performance. High volumes of complaints can be a sign of an open, learning organisation, as well as sometimes being an early warning of wider problems. Low complaint volumes can be a worrying sign that an organisation is not alive to user feedback, rather than always being an indicator that all is well. So, I would encourage you to use these figures as the start of a conversation, rather than an absolute measure of corporate health. One of the most significant statistics attached is the number of upheld complaints. This shows how frequently we find fault with the council when we investigate. Equally importantly, we also give a figure for the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. Both figures provide important insights.

I want to emphasise the statistics in this letter reflect 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, some of whom may never contact you.

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

Future development of annual review letters

Last year, we highlighted our plans to move away from a simplistic focus on complaint volumes and instead turn focus onto the lessons that can be learned and the wider

improvements we can achieve through our recommendations to improve services for the many. We have produced a new [corporate strategy](#) for 2018-21 which commits us to more comprehensively publish information about the outcomes of our investigations and the occasions our recommendations result in improvements to local services.

I would like to take this opportunity to express my thanks for your Council volunteering to be involved with this project which seeks to improve the way we record and publish data about remedies. This is an important area of our work, which will help highlight the positive impact complaints can have on improving the way public services are delivered. We very much appreciate the time you have offered to help make this project a success. We will also be making changes to the format of our annual letters as a result and will be engaging with councils on this early next year.

Supporting local scrutiny

One of the purposes of our annual letters to councils is to help ensure learning from complaints informs scrutiny at the local level. Sharing the learning from our investigations and supporting the democratic scrutiny of public services continues to be one of our key priorities. We have created a dedicated section of our website which contains a host of information to help scrutiny committees and councillors to hold their authority to account – complaints data, decision statements, public interest reports, focus reports and scrutiny questions. This can be found at www.lgo.org.uk/scrutiny. I would be grateful if you could encourage your elected members and scrutiny committees to make use of these resources.

Learning from complaints to improve services

We share the issues we see in our investigations to help councils learn from the issues others have experienced and avoid making the same mistakes. We do this through the [reports](#) and other resources we publish. Over the last year, we have seen examples of councils adopting a positive attitude towards complaints and working constructively with us to remedy injustices and take on board the learning from our cases. In one great example, a county council has seized the opportunity to entirely redesign how its occupational therapists work with all of its districts, to improve partnership working and increase transparency for the public. This originated from a single complaint. This is the sort of culture we all benefit from – one that takes the learning from complaints and uses it to improve services.

Complaint handling training

We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. In 2017-18 we delivered 58 courses, training more than 800 people. We also set up a network of council link officers to promote and share best practice in complaint handling, and hosted a series of seminars for that group. To find out more visit www.lgo.org.uk/training.

Yours sincerely,



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

Local Authority Report: Westminster City Council
For the Period Ending: 31/03/2018

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
16	33	8	9	14	9	37	5	2	133

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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
3	12	42	39	15	20	57%	131

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	0

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WESTMINSTER CITY COUNCIL

COMPLAINTS ANNUAL REPORT

2017-2018

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Executive Summary

- **Volume:** In 2017-18 for 6,273* Adults receiving Social Care Support from Westminster City Council approximately 2% of service users or someone acting on their behalf raised a complaint about a service that they received.
- Adult Social Care for Westminster received 104 complaints in 2017-18. This is a decrease of 1% compared to 2016-17.
- **Compliments:** 23 compliments were recorded in 2017/18 compared to 8 in 2016/17.
- **Response times:** 100% complaints were acknowledged within 3 working days and resolved under the Council's complaints procedures and none progressed to an independent investigation.
- **Service area:** 24% of the complaints related to commissioned services such as homecare and 60% related to the assessment or care teams.
- **Nature of issue:** Most complaints were about the quality of the service (31%) followed by objection to eligibility or assessment decision (16%).
- **Outcomes:** 48 (46%) were not upheld and 50 (48%) were either fully or partially upheld.
- **Learning from complaints:** Wherever appropriate response letters to complainants highlight any service improvements that will be made in response to the complaint. Insight gained from complaints is routinely shared with service providers and staff to help shape and inform future service delivery. Formal action plans are used for complex cases such as those investigated by the Local Government Ombudsman. In 2017/18, we have been focussing on rationalising our feedback channels to increase our insight about the experience of our service users and how this can shape our commissioning and service delivery.
- **Local Government and Social Care Ombudsman (LGSCO) investigations:** 6 complaints were investigated by the LGSCO in 2017/18. 4 were not upheld, one partly upheld and one fully upheld. The recommendations from the LGSCO were completed and the cases were closed.
- **Member enquiries:** These are managed and recorded by executive support staff. In 2017/18 the number of enquiries was 207 and this was higher (74%) than the previous year.
- **Mode of complaints:** Complaints can be made over the phone, in writing (letter or email) and/or by using the complaints forms that are available at all social care offices and online (see appendices for link). Customers can also request a meeting with staff to go through their concerns. Just over half of the total complaints were received in writing which includes complaints forms as well as email and letters.

*Data obtained by Business Analysis Team showing total number of service users for 2017-18

About this report

This report provides an overview of complaints, compliments and feedback between April 2017 and March 2018. The report highlights how various services within Adult Social Care (ASC) have performed in line with key principles outlined in the Local Authority Social Services and National Health Complaints (England) Regulations 2009 and the complaints process (see Appendix 1 for details). This report is signed off by the ASC Senior Management Team and Cabinet Lead. It is also presented for information to the Overview and Scrutiny Committee after which it is made available to the public via the website.

The Customer Feedback Team

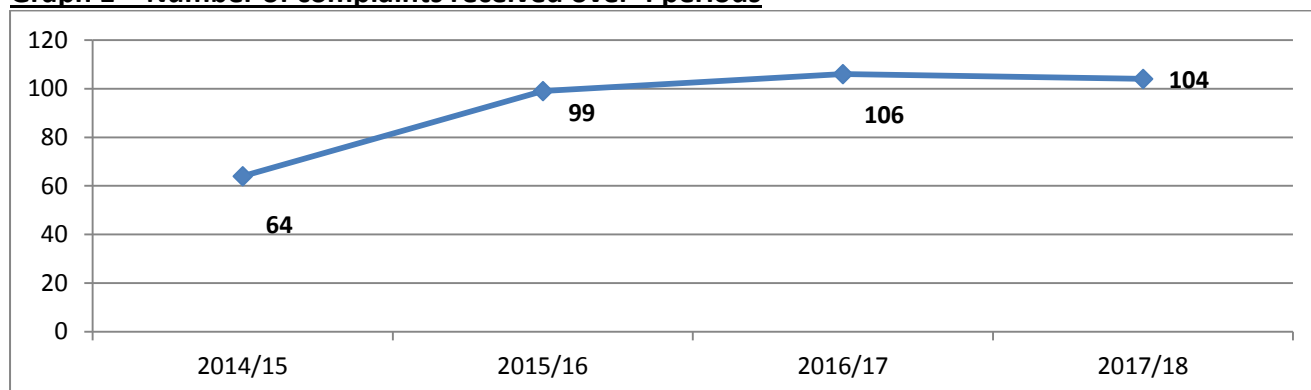
The Customer Feedback Team (CFT) is responsible for recording, managing and analysing all statutory complaints and feedback in ASC as well as comments and compliments. The team works closely with the executive support staff, operational teams and partner organisations to ensure that all complaints and LGO investigations are handled appropriately as per our framework. The CFT works

with senior managers to ensure responses provided to complaints are delivered on time and answer the complainants concerns fully. Our complaints procedure is available on the council website along with a downloadable freepost leaflet on complaints, comments and compliments (see appendices for more detail).

Volume of complaints

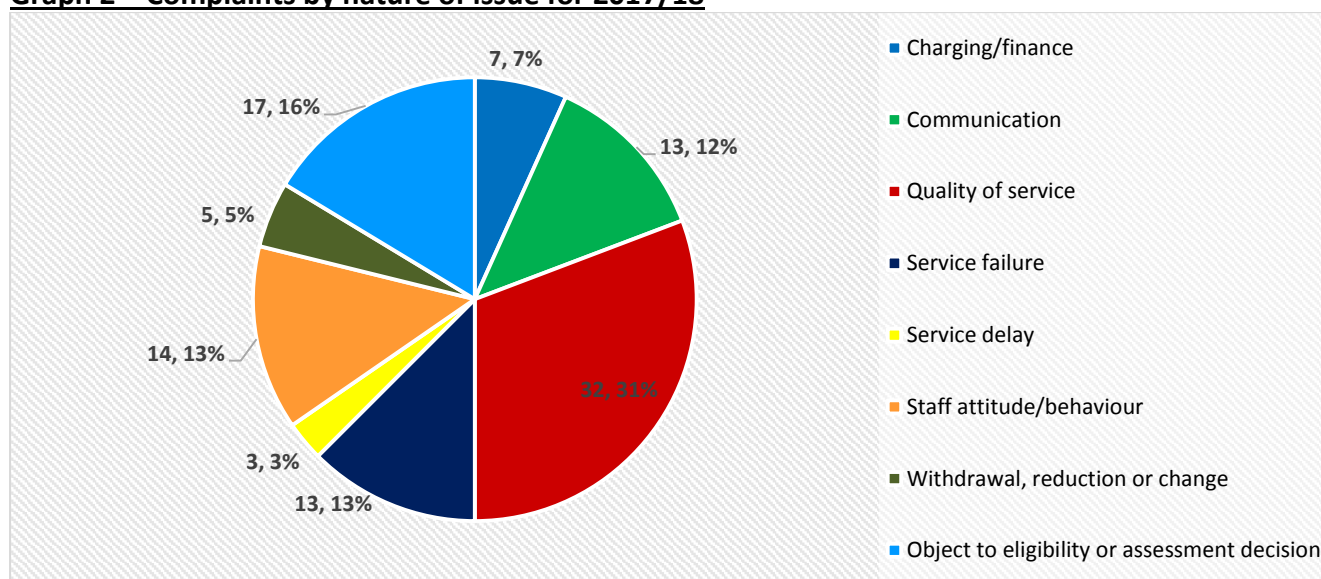
While we appreciate positive feedback we also encourage customers/representatives to raise concerns or complaints. We recorded 104 complaints in 2017/18. This number shows a small decrease on the previous year. As the number remains consistent with previous years, the complaint distribution has changed.

Graph 1 – Number of complaints received over 4 periods



Nature of issue

Graph 2 – Complaints by nature of issue for 2017/18



Quality of service can refer to many things, in terms of home care it can mean lack of cleanliness, inconsistency in carers, not completing care tasks and/or to a good standard, loss/breakage of items to name a few. Staff attitude can result in allegations about service failure, including carers not attending with agreed timeframes or at all, assessment outcomes not being implemented.

Complaints activity by team

The data for this year shows that 24% of complaints in WCC were about homecare services. This is lower than the 38% that was recorded last year. Homecare complaints have seen a reduction in 2017-18 which could be due to better provision and continued work of our commissioners working with care providers in delivering better care resulting in less formal complaints being sent to the Council.

The complaints that are made to the Council are resolved under our processes and in line with statutory guidance. These are separate to the complaints that are received directly by the provider and resolved under a CQC compliant process directly by the organisations. The numbers reported directly to providers are also lower than previous years.

Our data shows 25% service users received homecare and less than 2% of these have raised formal complaints. The Council and the agencies work in partnership to handle these complaints and ensure that action is taken to resolve the complaint and prevent recurrence of the issue. Most homecare complaints have been about the quality of service.

Majority of the complaints (60%) in 2017/18 were about care and assessment services which include Reablement. This is higher than last year. Most of these have been about the Complex Teams, Review and Learning Disability Team. Majority of the allegations in these complaints have been about objection to eligibility or assessment decision or on quality of service. Significant percentage of complaints resulted in outcomes not being upheld.

The Local Government and Social Care Ombudsman's (LGSCO) review of 2016/17 has shown an increase of 3% in Adult Social Care complaints across the nation. The LGSCO categorise complaints by "arranging social care" and "provision of social care". In line with their categorisation we have tabulated complaints for 2017/18 in Table 1.

Table 1 – Number complaints by the LGSCO breakdown in 2017/18

	Area	Total no of complaints	Upheld (fully or partly)	Not upheld	LGO cases
Arranging Social Care	Assessment & care planning	62	23	34	1
	Charging	7	7	-	-
	Safeguarding	-	-	-	-
	Transport	2	2	-	-
	Direct Payments	1	1	-	-
	DFG	1	1	-	1
Providing Social Care	Residential Care	4	1	3	-
	Homecare	25	17	8	-
	Supported Living	-	-	-	-
	Shared Lives	-	-	-	-
	Other Provision	2*	2	-	-

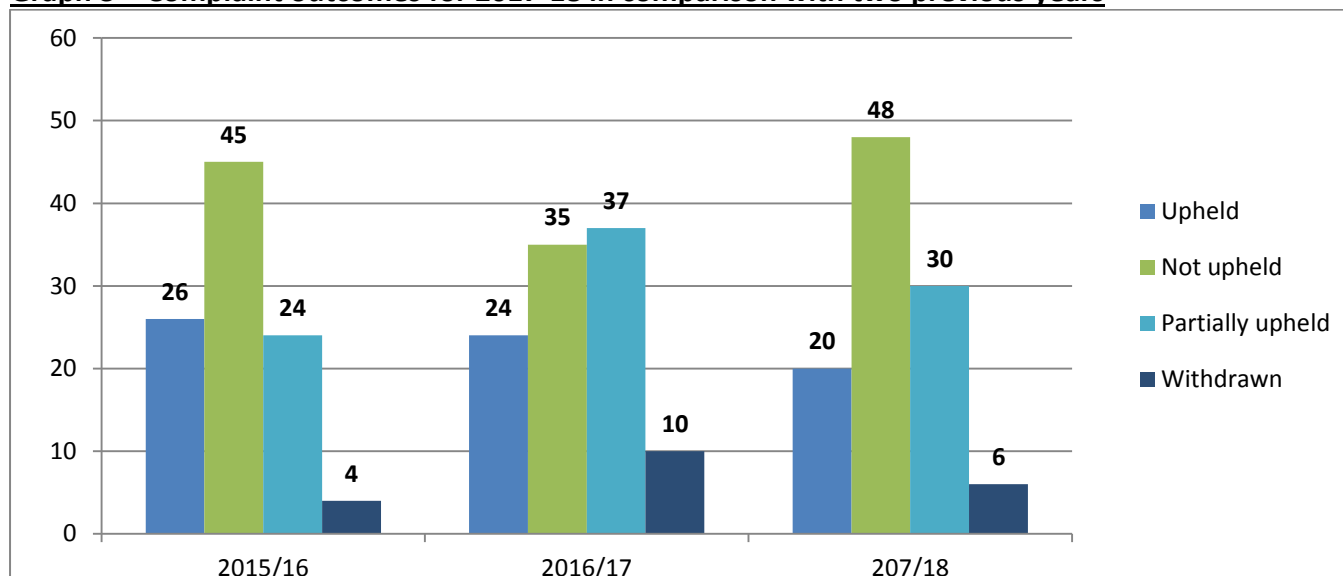
*medequip

Outcomes

The graph on the next page shows the outcomes of all complaints made to ASC, and comparisons with previous two years. Over half of the complaints received have been either fully or partly upheld which is consistent with last year. Most of the complaints that were upheld this year were about the quality of service or staff attitude and were related to external providers commissioned by the Council. Where the complaint has been upheld, we (or our commissioned partners) have offered an apology

for things that have gone wrong with a commitment to improve the service, explained clearly reasons for delay and addressed ineffective communication if that was identified as an issue.

Graph 3 – Complaint outcomes for 2017-18 in comparison with two previous years



The Department of Health’s regulations on statutory complaints stipulate that the method and timeframe for responding must be commensurate to the seriousness of the complaint and completed within 6 months. We always seek to resolve the complaint as soon as possible, and in the absence of a prescribed timescale it uses an internal timescale of 10 working days, in consultation with the complainant.

As can be seen majority of the complaints have taken more than 10 working days to complete. This is something we are continually working with managers on to improve. There can be delays, which can be for a number of reasons such as;

- Complexity of the case.
- Co-managed cases i.e. with Health partners, commissioned providers etc.
- Our aim is to send the first response as close to the 10-day timescale as possible. However, in some cases further letters need to be sent to agree a resolution before case can be closed.
- Availability of key staff to participate in the investigation.

However, where and when it has not been possible to meet the timescale the Customer Feedback Team will send holding letters to negotiate more time and/or keep the complainant up-to-date with the investigation.

Compliments

Customers and their representatives are encouraged to tell the Council if they are happy with their care or to highlight a good service. They can complete a feedback form as well as contact the relevant social care team to express this. 23 compliments were recorded this year for WCC which was nearly three times of what was recorded last year. Here are some examples;

From the friend of the service user who was in hospital: “I would like to make a big compliment about one of your staff working for the hospital team – my friend had a surgery and he was very very helpful!! I would like to say a big thank you for all the help and support. He was the only one who understood my friend and resolved most of her post operation problems! I wish everybody could be like him!”.

From a service user about the OT service her received: “I would just like to show my appreciation for the work carried out by the member of your team. He was very pleasant. I am now able to walk with ease down those stairs holding on to the rails even when I am carrying something in my left hand. Please let the team know how much their work and care are valued”.

From the daughter of a service user: “I would like to let you know how impressed I am by the range of support services you provided for my mother after her stroke. From specialists who came to check her environment was suitable for limited mobility to the physio help - the level of support was excellent”.

From one of our service users about the South Complex Team: “A big thank you for working so hard to enable me to go home after a very long stay in a home”.

Customer feedback

The majority of CFT customer contact is reactive, meaning that we respond to direct contact from customers and their representatives when they have a problem with a service. We have continued to engage with customers in pro-active ways this year such as attending customer events as well as actively engaging stakeholders that deal with customers such as providers, community organisations and care management teams to gauge customer satisfaction.

The team records feedback about ASC services and this year we have recorded 38 such instances. These have been about a variety of issues, including service requests, requests for information, and suggestions for improvement to services and/or informal complaints. These can be about assessments, homecare, external providers and/or mental health services. The CFT responds to these where appropriate in writing within 10 working days.

Learning from complaints

Learning from complaints provides opportunities for services to be shaped by customer experience. It is an increasingly important part of the ethos within the department. Staff and managers responding to complaints are encouraged to identify learning's that can lead to service improvement. Some of the things that the CFT have done to improve complaints handling in general are;

- Delivered a refresher training session for managers to ensure they understand the complaints processes, role, responsibilities and risks/challenges of an LGSCO investigation and how to conduct better investigations.
- Developed and launched an improved response template for responding to complaints that can be used by internal managers as well as commissioned provider managers.
- Arranged training session with one of the homecare providers to discuss the complaints processes and also go through all outstanding complaints.

Our aim is that issues identified by service users are used to shape and inform service delivery. Below are some examples;

You told us:

That the quality of the care being delivered to your relative at a care home. You also told us about your dissatisfaction with the attitude of some of the staff there.

We:

Raised this with the provider and asked them to investigate the issues. The concerns about the staff attitude were partly upheld and apologised for them as communication from the staff could have

been better and resulted in a better service. The care home also confirmed that they would put in measures, such as training for staff to ensure such dissatisfaction would not recur.

You told us:

That your homecare was not satisfactory. The package had double up care but they were not attending on time and it was making you very unhappy.

We:

Asked the homecare agency to review the case and they upheld all concerns. They apologised to you for the lateness and the impact it was having on the quality of your care. The rota was amended, spot checks took place to ensure there was no further lateness outside the allowable 15 minute periods. The agency also reminded all coordinating staff that you will be contacted as soon as possible if and when the carer was running late.

You told us:

That our Occupational Therapy Team's work and decision to reduce care and support led to you feeling unhappy.

We:

Looked into the allegations and found there was an oversight by the team. It was recommended that a senior OT review the case and arrange a meeting with you and family to understand the needs and concerns. As a learning from this case all team staff were advised of the importance of good communication and better recording in order to prevent complaints and delays in service provision.

You told us:

That we failed to deliver a service to you, despite having a detailed assessment by one of our teams.

We:

Found that there was an error by the team who mistakenly thought the matter was being pursued by another team. An apology and explanation was sent to you and an urgent referral to our OT provider was made to follow this up without any further delay. The learning here was to update the IT system and case notes as soon as possible to avoid any confusion.

Local Government and Social Care Ombudsman (LGSCO) activity

The LGSCO investigated six cases this year. These cases were about various care and assessment services. All of these investigations have been completed and closed. 4 were not upheld and two were upheld and partially upheld respectively. Details of these are below.

The number of complaints investigated is consistent with last year. The trend pattern is difficult to evaluate as the number of cases is low and the LGO exercises its discretion, as to whether or not a complaint they receive will be subject to a full investigation. All complainants are referred to the LGO at the end of the Council's complaints process so they are aware of their option to escalate the complaint if unhappy with the outcome.

The complaint that was upheld fully was one where the Council failed to help a service user manage their money properly, resulting in them owing the Council £2,866.33 through no fault of their own. The Council offered, before a full investigation, to apologise, waive the debt and conduct a review of his personal budget and care and support plan. The LGSO accepted this and told us we had remedied the injustice caused.

The Council were acting as appointee for a service user that lacks capacity to manage his finances. The old system of providing personal allowance to clients allowed us to advance funds and reimburse later. This resulted in accrual of debt when the service user's expenditure started to exceed his income. The system of providing personal allowance to clients has now changed which will ensure that this doesn't happen again. This client has had a review of his personal budget with his SW and case worker.

The second case investigated and deemed partially upheld was where the Council failed to properly assess an adult's toileting needs. The Council were recommended to apologise, complete a re-assessment, and urgently seek medical evidence to complete these assessments. These tasks were completed within the required timescales. However, the new assessments and medical evidence did not lead to what the service user was seeking and the LGSCO were updated accordingly. There were some learnings from this case for the Council and the commissioned OT provider. These have been discussed and will be implemented.

In addition, the CF Team and the responsible Commissioner have also met with the OT provider/partners involved in this case and have agreed a further set of learnings to ensure such delays do not recur. One of the main points from this is that on receipt of a complex complaint or an LGO investigation the Customer Feedback Team will organise a meeting with all key parties to understand the roles, remits and challenges of the case and make sure there is clear communication and information sharing at all stages of the process.

Additionally, there will be more detailed focus and analysis on the actions and recommendations from LGSCO investigations in quarterly reports for 2018/19.

The LGSCO are developing a new remedy strategy whereby they will categorise and record not only the outcome of the complaint but also the Council's compliance with the resulting recommendations. The following four options will be used to register Council compliance;

- **Remedy complete and satisfied** should be used when the body in jurisdiction has demonstrated compliance with all the recommendations in the agreed time, or within six weeks following the agreed date. The six-week grace period is to allow a reasonable time for link officers to chase for evidence of compliance.
- **Remedy not complete but satisfied** should be used where body in jurisdiction has offered to arrange the remedy in the agreed time, (or within six weeks following the agreed the date) but the complainant refuses to accept the remedy
- **Remedy completed late** should be used where the body in jurisdiction provides satisfactory evidence of compliance more than six weeks after the agreed date for implementation, and has not provided any reasonable justification for the delay.
- **Remedy not complete** should be recorded by a casework manager after attempts to chase for compliance has proved unsuccessful, and more than 12 weeks has passed since the agreed date for compliance. If evidence of compliance is provided after this point, we can change the decision to 'remedy completed late'.

We have also received the annual review letter from the LGSCO. Our analysis in this report is consistent with the data they have shared. The important messages from the letter seem to be about being open and accessible to receiving complaints and feedback and then being able to constructively learn from those complaints. Please see below;

- "High volumes of complaints can be a sign of an open, learning organisations, as well as sometimes being an early warning of wider problems. Low complaint volumes can be a

worrying sign that an organisation is not alive to user feedback, rather than always being an indicator that all is well. So, I would encourage you to use these figures as the start of a conversation, rather than an absolute measure of corporate health”.

- “We have produced a new corporate strategy for 2018-21 which commits us to more comprehensibly publish information about the outcomes of our investigations and the occasions our recommendations result in improvements to local services. We will be providing this broader range of data for the first time in next year’s letters, as well as creating an interactive map of local authority performance on our website”.
- Over the last year, we have seen examples of councils adopting a positive attitude towards complaints and working constructively with us to remedy injustices and take on board the learning from our cases. This sort of culture we all benefit from – one that takes the learning from complaints and uses it to improve services

Appendices

Appendix 1 - The Complaints Process

The Department of Health (DoH) defines a complaint as, “an expression of dissatisfaction or disquiet about the actions, decisions or apparent failings of a council’s adult social care provision which requires a response”.

Anyone who has received a service; is currently receiving a service or is seeking a service from us can make a complaint. This includes anyone who is affected by decisions we may make about social care, including a service provided by an external provider acting on behalf of the Council. In such a case they can complain directly to the provider or to us. External providers are required to have their own complaints procedures and must comply with them. They are also required to share information on complaints and outcomes with the Council.

There is only one stage in this process. All complaints made to the Council are logged and acknowledged within 3 days. The Council will try to resolve the complaint as soon as possible, and no later than within 10 working days. If delays are expected, the complainant is consulted and informed appropriately. All responses, whether or not the timescale has been agreed with the complainant, must be made within six months of receiving the complaint. In exceptional circumstances, an investigation may take longer and this will be discussed with the complainant.

Complaints that have low to moderate risk are dealt with by the Head of Service concerned and are usually resolved through an internal investigation followed by a written response. Those that are deemed to be high or extreme risk are usually investigated by independent investigating officers who submit their findings to the Council, followed by a letter along with the report to the complainant from the Adjudicating Officer - usually a Director. In other cases, some complaints may need to be passed on to the Safeguarding Leads as appropriate, where the complaints process may be suspended, in order to allow the safeguarding process to be completed. In cases where the complaint is across several organisations, one organisation will act as the lead and co-ordinate a joint response to the complainant.

The Council has one opportunity to provide a formal response which must set out the right to approach the LGO should the complainant remain dissatisfied.

This process does not apply to people who fund their own care.

Appendix 2 - Definition of the outcomes

There are three main categories for classifying the outcome of a complaint;

“Upheld” – This is where the Council has accepted responsibility for the matter arising. This is followed up with a detailed letter of apology and clarification with reasons and remedies and actions to ensure such a complaint does not recur.

“Partially upheld” – This is where the council accepts some responsibility for part of the complaint. A response outlining the part that is upheld is sent, stating any reasons and proposed remedies.

“Not upheld” – This usually means that the investigation into the complaint has not found the council at fault. This is explained carefully and thoroughly in writing with appropriate reasons for this conclusion.

Our weblink

<http://www.peoplefirstinfo.org.uk/your-voice/complaints-and-feedback-to-your-council.aspx>

Getting in touch

You can contact us by;

- Completing the four-page pull-out feedback form (see link above) and sending it to the freepost address. You do not need a stamp.
- Calling on 0800 587 0072
- Writing to 4th floor, 5 The Strand, London WC2N 5HR
- Emailing at ASCCustomerFeedback@westminster.gov.uk



City of Westminster

Family Services

Children's Social Care Annual Complaints Report

1 April 2017 to 31 March 2018

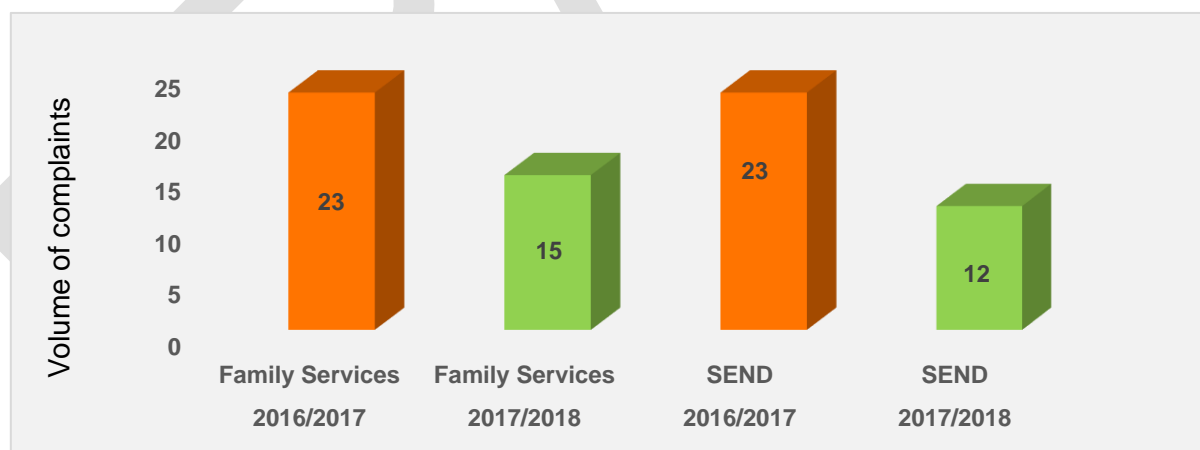
Shreya Patel

Bi-borough Customer Relationship Manager
Children's Services

May 2018

1. EXECUTIVE SUMMARY

- 1.1 The Children's Social Care Statutory Complaints Procedure stipulates that an annual report must be produced for complaints made under the Children's Act 1989 Representation Procedure (England) Regulations 2006. The procedure further requires that the report should provide a mechanism by which the Local Authority can be kept informed about the operation of its complaints and representations procedure; should be presented to staff, the relevant management committee and be made available to the regulator and the general public.
- 1.2 This report provides information about complaints and compliments made between 1 April 2017 and 31 March 2018. It highlights how Children's Services has performed against statutory timescales and the service improvements that have been made as a result of listening and responding to complaints. It also outlines objectives for 2018/2019.
- 1.3 From April 2017 to March 2018 the Customer Relationship Team ('the Team') dealt with 15 complaints about Family Services, of which 3 were non-statutory complaints.
- 1.4 It is important to highlight that Practitioners and Managers have demonstrated commitment to and success in resolving complaints at first point of contact and this is evidenced in the Team receiving fewer complaints about Family Services.
- 1.5 When formal complaints are made, Services have engaged well with the Customer Relationship Team to produce a letter which is well-balanced in its tone and an opportunity to meet with a Manager or Head of Service is offered which has led to better resolution for the service user.
- 1.6 There were 12 complaints about SEND in 2017/2018 in comparison with 23 in 2016/2017. Appendix 2 provides a full overview of the reasons residents had cause to complain and remedial action taken.



- 1.7 The Duty and Assessment received 26% of the total number of complaints, representing the highest proportion across service areas. Localities and Early Intervention and Looked After Children and Specialist Services have seen a decline in the number of complaints by 50% and 71% respectively.
- 1.8 Of the 15 complaints about Family Services, only 2 of these have been upheld or partly upheld, which represents 33% of the total volume. Recording a complaint as 'not upheld' suggests that there were no failings in practice, process or service delivery on these cases. However, from experience, in at least 50% of complaints, Services apologise for communication failures or

for a delay in doing something. In these instances, given the opportunity for improvement, the outcome should be recorded as partly upheld or upheld.

- 1.9 Whilst there was some emphasis on building staff knowledge on how outcomes are recorded and lessons learnt applied in 2017/2018, in the following year more staff training on how to identify the difference between improvement opportunities and failings; and how these translate to recorded outcome will be given to existing and new staff.
- 1.10 Towards the latter end of 2017/18, there has been recruitment of a permanent management structure, which in the future, is anticipated to bring clarity and consistency in all elements of the complaints lifecycle.

2 COMPLAINTS PROCEDURES

- 2.1 The Children's Act 1989 Representations Procedure (England) Regulations 2006, Children (Leaving Care) Act 2000, Adoption and Children Act 2002 and the Health and Social Care Acts 2003 require the Local Authority to have a procedure for resolving complaints and representations received by, on behalf of, or relating to children and young people.
- 2.2 To facilitate the procedure in a fair and consistent way the Local Authority follows guidance provided by the Local Government and Social Care Ombudsman (LGSCO), who also provide practical information on how processes can be improved. The Council also follows the principles outlined in the publication 'Getting the Best from Complaints' which was produced by the Department for Education.
- 2.3 The complaints procedure has three stages and has a strong emphasis on resolving complaints quickly and informally.

Stage 1 – Local Resolution

- 2.4 This is the most important stage of the complaints procedure and we aspire to resolve as many complaints as possible at this initial point; within 10 working days, but no more than 20 working days as this is the maximum extension that is permitted.

Stage 2 – Investigation

- 2.5 This stage is usually initiated when the complainant is dissatisfied with the findings of Stage 1, has not received a response within the timescales and or because it has been agreed that Stage 1 is not appropriate. An external Investigating Officer (IO) is commissioned to investigate the complaint, and an Independent Person (IP) to oversee the fairness and transparency of it. Following their reports, the Council will write an adjudication letter responding to the findings and any recommendations made. The end to end process should take no more than 65 working days.

Stage 3 - Independent Review Panel

- 2.6 Where complainants remain unhappy with the Stage 2 Investigation, the Council will consider arranging a complaints Review Panel. These are made up of three independent panel members, who will ask the IO, IP and representatives of the Council (normally a Head of Service) questions to establish if the Stage 2 Investigation was robust and findings were reached in full consideration of all available information. The panel makes recommendations to the Executive Director of Children's Services who then reaches a decision on the matter and any actions to be taken.
- 2.7 There are various timescales relating to Stage 3 complaints which include:

- Organising the Panel within 30 working days of the complainant's request
- The Chair should produce the panel's report within 5 working days of the Review Panel
- Sending the Local Authority's response to the complainant within 15 working days of the Panel's report.

Non statutory complaints

- 2.8 In line with the Council's complaints procedure, the Team also accepts complaints that are not covered by the Children's Act 1989, but relate to the involvement of Family Services. For example, complaints made by the grandparent of a child who does not have parental responsibility, but is unhappy with the actions taken by Family Services or perhaps a complaint about the length of time taken for an allocated worker to return calls which is dissatisfaction with the service provided.
- 2.9 The Council has a 2 stage complaints procedure for these types of complaints. It encourages residents to speak directly to the person involved to help resolve the issue. Thereafter, at Stage 1 of the procedure if the complaint is about an officer, the complaint will be investigated by the Team Manger. If the resident remains unhappy, the Complaints Manager will look investigate the complaint.
- 2.10 Each stage of the complaints process should be completed within 10 working days and the Team will encourage Services to consider alternative ways to resolve the complaint throughout the process.

Advocacy

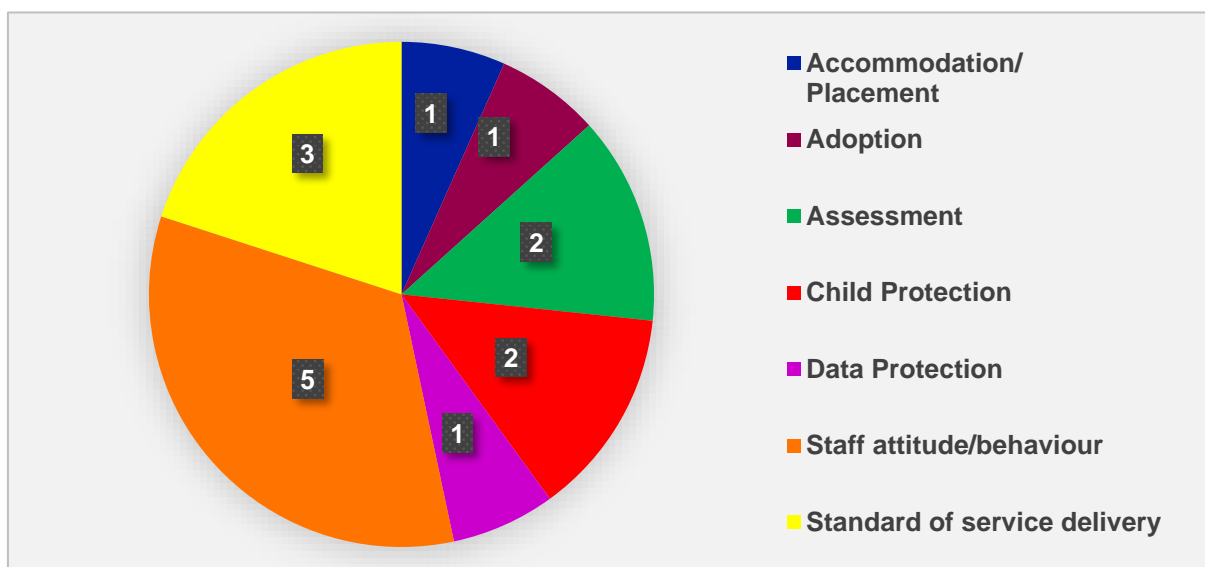
- 2.11 We observe best practice, in line with 'Getting the best from complaints'. The Team provide children and young people with information about advocacy services and offer them help to obtain an advocate. Advocacy can be provided by friends, relatives, advocacy groups or legal representatives.

Local Government and Social Care Ombudsman

- 2.12 If the complainant is not satisfied with the outcome of a statutory or non statutory complaint, they have the right to take their complaint to the Local Government and Social Care Ombudsman (LGSCO). Complainants can refer their complaint to the Ombudsman at any time, although they may be referred back to the Local Authority if the complaint has not been considered or escalated through the Council's complaints process.

3. PERFORMANCE OVERVIEW

- 3.1 This section of the report provides an overview of complaints activity across Family Services. As a backdrop, it is important to note that the Team has not had a consistent or stable workforce (including in its management) in the preceding 12-18 months, this has resulted in a differing approach in how complaints are categorised and how outcomes are recorded. This is an area of focus for the coming 12 months.
- 3.2 From April 2017 to March 2018 the Team recorded 15 complaints about Family Services, of which 8 were non-statutory.
- 3.3 The chart below shows the distribution of these complaints and the category that they were recorded under.



- 3.4 There has been a small increase in the number of complaints about adoption, assessments and child protection. There has only been 1 complaint in relation accommodation/placement, compared with 5 and 3 respectively during 2016/2017. In comparison there were no complaints about contact/communication compared to 3 in 2016/2017. Most significantly, complaints regarding staff attitude/behaviour have reduced by 63% since 2016/2017.

Outcome of complaints

Stage 1

- 3.5 Of the 15 complaints, 2 were upheld or partly upheld. In these cases, the Department offered apologies as in both cases it was identified that information was not communicated clearly or at the time of the event.

Stage 2 and 3

- 3.6 Of the 15 Stage 1 complaints that were received in 2017/18, 3 complaints were accepted at Stage 2. 1 was not upheld and the other two are open and being investigated with a view to being concluded by the end of June 2018.

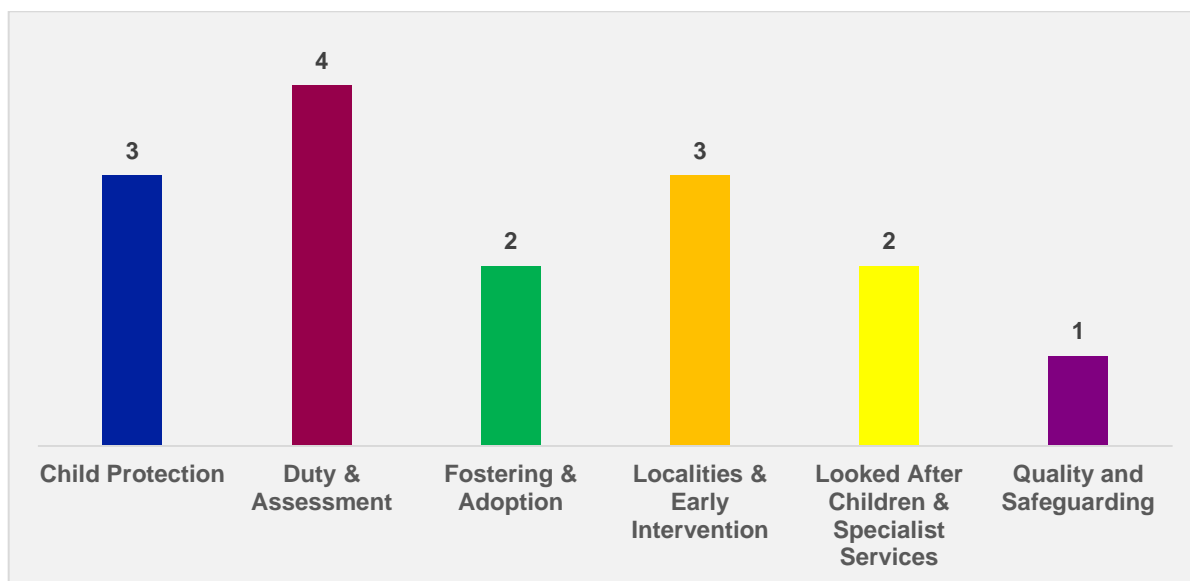
Local Government and Social Care Ombudsman

- 3.7 If the complainant is not satisfied with the outcome of their complaint, they have the right to take their complaint to the LGSCO.
- 3.8 The Ombudsman's published report is due in July 2018 and will confirm the total number of enquiries and decisions taken.

4. SERVICE LEVEL ANALYSIS

- 4.1 Before presenting the distribution of complaints at service level, it is important to explain that complaints regarding services vary in nature and a number of the issues complained about span across different categories. For example, one complainant may be unhappy about the quality or frequency of communication and also the content of a Family Assessment. The complaint will be categorised by the theme which forms the majority of the complaint.

- 4.2 With the exception of the Children with Disabilities Team who had no complaints, below is the distribution and volume of complaints against Service Areas within Family Services.



- 4.3 Most teams have seen a decline in the number of complaints received. Child Protection and Duty & Assessment teams have had similar volumes of complaints whilst Localities & Early Intervention and the Looked After Children & Specialist Services have seen 83% and 71% less complaints since 2016/2017.
- 4.4 The Fostering & Adoption Team has received 2 complaints in 2017/2018 compared to none in the previous year. It is difficult to provide accurate and meaningful analysis for the cause of this increase due to the low numbers.

Service Level Performance

- 4.5 3 complaints regarding Child Protection were received during 2017/2018. The cause for complaint is detailed below:

Complaint description	Number
Assessment	2
Staff attitude and behaviour	1
Total	3

- 4.6 The Duty and Assessment Team received 4 complaints and the reason for the complaint is shown below:

Complaint description	Number
Standard of service delivery	1
Staff attitude and behaviour	3
Total	4

- 4.7 Fostering & Adoption Team had 2 complaints, one was relating to staff attitude/behaviour and the other about inappropriate action taken
- 4.8 Localities and Early Intervention received 3 complaints

Complaint description	Number
Standard of service delivery	2
Staff attitude and behaviour	1
Total	3

- 4.9 Of the 2 complaints received regarding Looked After Children and Specialist Services, 1 related to an accommodation and placement issue, the other to child protection procedures.
- 4.10 There was 1 complaint about Quality Assurance and Safeguarding in relation to the failure to notice a school pupil had left the school premises during school hours.

5. REPRESENTATIONS

- 5.1 In addition to formal statutory complaints, the Team can receive requests for clarity on policies, guidance or working practice, which require a formal response from the Council. Whilst these are not recorded by category, the Team received 6 representations in 2017/2018.

6. COMPLIMENTS

- 6.1 Children's Services welcomes compliments from its users. Compliments are a reflection of customers receiving a positive and helpful service. They act as an indicator of good practices to embed in casework and give staff encouragement to continue delivering service of the highest standard.
- 6.2 During 2017/2018, 21 compliments were sent to the Customer Relationship Team. A list of the compliments about Family Services is detailed in Appendix 1 and those for SEND teams in Appendix 2.

Team	Number
Special Educational Needs	15
Looked After Children	2
Children with Disabilities	2
Travel Care and Support Team	1
London Asylum Seekers Consortium	1
Total	21

In addition to these compliments, during Practice week in March 2018 the Senior Leadership Team made contact with current service users. Below is some anonymous positive feedback received across different service areas which is a direct reflection of the positive impact that staff have had on the families they are/have worked with.

- *"Not what I was expecting and didn't really know what to expect but it was more than expected. I'm very thankful. I know she was just doing her job but it was the way she treated me – she didn't have to do that. Right down to waiting for me to go and buy juice and even offering to go and get juice for me. I am so thankful."*
- *"If I have any problem he tries to help. If you need anything, or are worried about anything he tries to help me."*
- *"She was very interested in me, keeps in regular contact and cared about us. She has taken the time to get to know us as a family and has been responsive to our requests for support."*

7. RESPONSE TIMES

- 7.1 During this reporting year, Children's Services responded to 83% of Stage 1 complaints within the specified timescales, compared with 74% in 2016/17.
- 7.2 Whilst there has been some improvement in overall response rate since 2016/2017, this has been limited due to a period of significant challenges, due in the main to staff secondments to support the Grenfell Tower response from June 2017.
- 7.3 The table below summarise the number of complaints responded to at Stage 1 of the procedure and demonstrates how compliance has improved since 2015/2016.

Stage 1

Response	2017/18	2016/17
Within 10 days	7	11
Between 10 and 20 days	5	6
Outside of timescale	3	6
Total	15	23
Overall response rate	80%	74%

Stage 2 and 3

- 7.4 3 complaints were escalated to Stage 2 of which 2 remain under investigation but within timescale and 1 is overdue, caused by a delay in the investigation.

Improving Response Rates

- 7.5 Significant work had been undertaken by the Team to clear a backlog of unresolved cases which comprised of over 30 overdue Subject Access Requests, 300 Disclosure Requests and 5 overdue Stage 2 complaints across the Tri-Borough. Since December 2017, there has been a commitment to address inconsistent performance regarding timeliness and quality of responses; and to recruit staff to ensure that compliance with timescales improves.

8. LEARNING AND ACTION TAKEN FROM COMPLAINTS

- 8.1 Learning from complaints is an important part of the ethos in Children's Services. Managers responding to complaints are encouraged to identify any shortcomings within the service and to inform the resident of any actions which will be taken to prevent recurrence as part of their response.
- 8.2 What seems to have been successful this year is the emphasis placed on building and maintaining relationships with the people we work with, into the complaints process. Every complaint is now responded to with an offer of a face-to-face meeting with a Manager or Head of Service.
- 8.3 Following previous feedback, if a written response is required Services consult with the Customer Relationship Team to produce a communication which is not defensive in tone and has a therapeutic component. This approach has seen matters de-escalate earlier, complainants more often feeling listened to and acknowledged than they have done before.

- 8.4 There has also been a focus on identifying learning from complaints that have not been upheld. For example, there is an opportunity to improve the information we provide about our services, particularly about the different ways that people receive information and the importance of still offering leaflets rather than relying on electronic communication.
- 8.5 On completion of Stage 2 investigations, the Customer Relationship Team liaise with the relevant Heads of Service to ensure that recommendations resulting from the investigations are implemented, that learning is recorded and complainants are updated where necessary. The same process is followed for any recommendations that arise from Stage Three Review Panels. In addition, the Director of Family Services offers to meet with any Stage 2/3 complainant if their complaint is upheld or partially upheld.
- 8.6 There was one service level change made as a result of a complaint.

Recommendation from complaint	Service level response
Internal procedures put into place to ensure data breach does not occur and the management of any future breaches are better handled.	Internal procedures put into place, data protection and breach training and better management of informing customers of data breaches and what action is being taken.

9. PLANNED DEVELOPMENTS FOR 2018/19

- 9.1 The main priorities for the Customer Relationship Team over the next 12 months are as follows:
- To transition the contracted workforce into a permanent one, enabling a more consistent and stable workforce which has a positive impact on the customer complaint journey.
 - To provide training and development to the permanent workforce which will lead to increased knowledge and consistency in the recording and categorisation of complaints. This will be done through:
 - *Case discussions*
 - *Peer led mentoring*
 - *Performance management through completion of monthly case audits*
 - To increase the customer focus of the team and ensure a consistent approach to how enquiries are categorised and outcomes are recorded so that reports are more meaningful and reflective of the complaints received.
 - To improve compliance with timescales in responding to complaints, by
 - *Drafting responses and meeting with Team or Service Manager to finalise complaint response letters*
 - To develop stronger and more effective working relationships with social workers, managers and senior staff by attending Team meetings and delivering practical workshops that are tailored to the Localities to help improve complaint responses.
 - Collating information, investigating complaints and having discussions to improve the quality of responses which will be achieved by
 - working collaboratively with the relevant Team to draft responses which are thorough, robust and well-balanced

- attending resolution meetings to provide an impartial view and ensure these are focused on practical ways to improve relationships and practice
 - identifying service or customer-led improvement opportunities and making recommendations to address these
7. To continue to promote the complaints service across the department by
- *Attending Director and Head of Service meetings regularly to discuss volumes and trends*
 - *Providing advice on complaints to Locality teams when working across sites*
 - *build stronger working partnerships to ensure engagement with the complaints process*
8. To identify areas of strength and development and record these so that they can be shared with the Service and Quality Assurance team with the aim of influencing changes that meet the needs of service users.
9. To ensure service improvement using the recommendations agreed from Stage 2 and Stage 3 complaints and evidence how this has contributed to changes in practice by:
- *Meeting regularly with the Quality Assurance Manager to discuss learning and improvement opportunities*
 - *Reviewing recommendations and working with Teams to ensure case specific and service-wide commitments to change in approach, practice or process is completed and improves service delivery*

APPENDIX 1 – COMPLIMENTS FOR FAMILY SERVICES

Between April 2017 and March 2018, Family Services received 4 compliments.

"It has been a pleasure for us at Earthsea to work in partnership with Westminster, and rest assured that you have set a high standard for our experiences of Local Authorities. Please accept our sincere gratitude for your professionalism and expertise throughout our journey together, and here's hoping we get the opportunity to work with Westminster again at some point in the future."

"Dear V, thank you very much for everything you have done for me. I don't know what I'd do without you. You have changed my life and helped me get through everything."

"That man's a legend! He's the only person in this building who is liked by all of my family and we'd be really sad if he was to leave. He also went on to say how he thought P was 'on my level' and how friendly he was. Well done P! Keep up the good work!!"

"This is A P S, one of your young person with Westminster City Council. First of all, this is from the depth of my heart thank you so much for supporting me and making me able to handle situations.

I really do appreciate for the support from you guys. Really and especially thanks to F, she is one of the best ever social workers. I love my social worker. I can say today what I am is only because of F and their support."

Appendix 2 – SPECIAL EDUCATIONAL NEEDS and DISABILITIES

1. SUMMARY of COMPLAINTS

- 1.1 Between April 2017 and March 2018, the team received 12 complaints regarding the Council's Special Educational Needs and Disabilities Team.
- 1.2 67% of complaints were responded to within 10 working days as specified in the Council's complaints procedure.
- 1.3 Of the 15 complaints received, only 1 was accepted at Stage 2 before April 2018, thus 83% of them were resolved at Stage 1.
- 1.4 The table below shows that a delay in delivering a service represented 33% of complaints

Cause of complaint	Number
Delay in delivering a service/making a decision	4
Incorrect/Unreasonable decision	3
Failure/Refusal in delivering a service or decision	2
Poor/Lack of customer care	1
Information unclear/Lack of quality	2
Total	12

- 1.5 1 of the 12 corporate complaints received escalated to Stage 2. This complaint is in relation to a delay in transitioning to an EHC Plan and the child's needs not being appropriately assessed.
- 1.6 Of the 12 complaints, 42% were either upheld or partly upheld which shows that the Service accepted that failings had been identified.
- 1.7 Delays in delivering a service or making a decision were predominantly attributed to a delay in finalising an EHC Plan or completing an Annual Review on time. Complaints about an unreasonable decision often referred to the Local Authority not placing enough weight on the child's needs when making a decision.
- 1.8 The SEND service has accepted that there were opportunities for improvement and has recruited more permanent staff to support families. This has had a positive effect on completing an EHCP on time and also helped to respond to complaints on time. It also recognises that timely decisions need to be made in consultation with social care and health care teams.

2. COMPLIMENTS

- 2.1 From April 2017 to March 2018, the team received 15 compliments regarding SEND staff and services. This shows that 20% more compliments are received compared to the number of complaints.

Category	Number
Efficient organisation/management	4
Quality of support	4
Quality of overall service	3
Quality of communication/engagement	2
General satisfaction	2
Total	15

2.2 A number of compliments particularly about the quality of service are presented below

"T is a perfect match for (T)! He's very personable, charismatic, extremely skilled in his unique teaching approach and method... He also uses emails to communicate, save, send exerts from his class with (T) for her to consolidate, develop her understanding of content used. Thank you soooOOOOOOooooo much for funding this amazing musical experience for (T)."

"J has recently taken on the role as our SEN Key Worker after a period of some months with a vacant position, during which time we could not make contact with anyone on the SEN team, resulting in frustration for school staff and parents, and concerns about the provision being provided for vulnerable children. Since J has taken on the role she has worked hard to 'pick up the pieces', addressing the backlog of issues and helping us to move forwards. Most importantly she has communicated at every stage with school and parents, which is the biggest issue. This has been much appreciated and I want to congratulate you on a great addition to the team. I hope this becomes a permanent appointment as I feel she is an asset to the SEN Department and has been very effective."

"I have just spoken with a parent, Ms A, and she wanted me to know how very helpful and responsive you had been recently, following her significant concern regarding OT for her son. She repeated several times that she very much appreciated you responding to her call, sorting the issue out, and calling her back twice when you said you would. Thank you for this excellent example of customer care".

"We are so pleased for J and his family. Thank you for all the support ... this wouldn't have happened without your persistence (J), thank you for not giving up!"

"Dear J, I just wanted to send you an email to thank you so much for arranging the meeting today & for your support in the rewriting of the draft EHCP to accurately reflect J's needs. It was lovely to meet you & I look forward to hearing from you in the coming weeks once the panel meeting has taken place"

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Agenda Item 6

Audit and Performance Committee Report

Meeting or Decision Maker:	Audit and Performance Committee
Date:	14 th November 2018
Classification:	General Release
Title:	Period 6 Finance Report 2018/19
Key Decision:	Review and challenge officers on the contents of the report
Report of:	David Hodgkinson, Assistant City Treasurer

1. Executive Summary

The period 6 Performance Report presents detailed results for the period to September 2018 against the 2018/19 approved budget. The report provides explanations and commentary in respect of forecast variances to budget.

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

3. Reasons for Decision

To inform Members of how the City Council is delivering its approved budget.

4. Background, including Policy Context

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

1. Key Messages

The period 6 monthly revenue monitoring report projects a net underspend of £1.751m by year-end and net risks of £0.858m. All variances will be subject to active management through the financial year and it is anticipated the net risk position will be mitigated by year end.

The capital monthly monitoring report projects an expenditure underspend of £108.075m by year-end. Income is forecast to under-recover by £64.335m resulting in a net forecast underspend of £43.740m.

At period 6, the HRA revenue forecast is an underspend of £0.232m compared to a budget of £6.994m.

The forecast gross capital outturn for the HRA is £114.797m, resulting in a total underspend of £35.549m compared to the budget of £150.345m.

2. Revenue – Forecast Outturn

At period 6, Cabinet portfolios are projecting a net underspend of £1.751m by year-end with net risks of £0.858m. The table below shows a summary of forecast variances, risks and opportunities by Cabinet portfolio.

Cabinet Portfolio	Full Year Budget (£m)	Full Year Forecast (£m)	Full Year Variance (£m)	Risks Identified (£m)	Opps Identified (£m)	Projected Variance inc Opps and Risks (£m)
Leader of the Council	8.641	8.232	(0.409)	0.200	0.000	(0.209)
Deputy Leader, Economic Development, Education and Community	14.058	15.456	1.398	0.000	0.000	1.398
Finance, Property and Regeneration	51.999	47.313	(4.686)	0.804	(0.561)	(4.443)
Family Services and Public Health	80.848	81.996	1.148	0.285	0.000	1.433
Environment and City Management	(13.586)	(13.665)	(0.079)	0.150	(0.520)	(0.449)
Public Protection and Licensing	8.271	8.271	0.000	0.000	0.000	0.000
Housing and Customer Services	35.482	35.759	0.277	0.200	0.000	0.477
Place Shaping and Planning	1.927	2.527	0.600	0.300	0.000	0.900
NET CONTROLLABLE BUDGET	187.641	185.890	(1.751)	1.939	(1.081)	(0.893)
Council Tax*	53.831	53.831	-			
Business Rates - Net of Tariff*	133.810	133.810	-			
CORPORATE FINANCING	187.641	187.641	0.000			
NET (SURPLUS) / DEFICIT	-	(1.751)	(1.751)			

*Any additional receipts from council tax or business rates are not recognised until next year due to accounting regulations and are therefore forecast on budget.

Period 6 Forecast Outturn by Cabinet Portfolio

Leader of the Council *(Councillor Nickie Aiken)*

At the end of period 6, the reported forecast outturn is an underspend of £0.409m against the annual budget of £8.641m. This is mainly driven by careful management of staff costs (£0.260m) and consultancy spend being lower than planned (£0.400m). However this is offset by an under recovery of income £0.235m, which mainly relates to City Promotions, Events and Filming, £0.080m overspends within Campaigns and Customer Engagement on hired and contracted expenditure and an overspend of £0.023m due to non-pay costs within External Communications. Smaller net variances across the portfolio of £0.087m make up the remaining difference.

The £0.200m of risks identified within the portfolio relate to an increase in business rate charge in City Promotions, Events and Filming £0.200m.

Deputy Leader, Economic Development, Education and Community *(Councillor David Harvey)*

At the end of period 6, there is a forecasted overspend of £1.398m against the annual budget of £14.058m

The forecast overspend largely relates to pressures within the Education service as a result of funding pressures within Special Education Needs (SEN) of £0.311m, service demand pressures for SEN Transport of £0.300m, under-recovery of budgeted traded services income with Schools totalling £0.385m, urgent re-procurement of a minibus provider of £0.266m and £0.091m due to legal fees.

The remaining variance is within the Libraries and Registrars of £0.045m.

There are no risks and opportunities reported at present.

Finance, Property and Regeneration *(Councillor Rachael Robathan)*

At the end of period 6, the portfolio is forecasting an underspend of (£4.685m) against a budget of £51.999m.

The reported underspend is mainly due to the increase in the base rate (£4.667m) which happened in August plus the transferal of previously declared opportunities relating to interest earning on loans becoming certain, with the remaining net variance of £0.018m arising across the portfolio.

There are risks identified of £0.804m, of which £0.300m are related to the TUPE transfer of customer-facing staff to the Council, £0.150m relating to cost of maintaining public conveniences following a contract termination. A further £0.254m is due to a potential under recovery of external income in Legal Services, and an under recovery of funding for staff costs of £0.100m.

There are opportunities identified of (£0.561m), much of which relate to utilities based on estimates of energy usage and assumptions regarding City Hall (£0.500m). There is a further (£0.061m) of opportunity identified within Legal Services from a legal fee review.

Family Services and Public Health (*Councillor Heather Acton*)

At the end of period 6, the portfolio is reporting a forecast overspend of £1.148m against an annual budget of £80.848m. This comprises a forecast overspend from Children's Services totalling £1.167m, due to Placement pressures in Family Services of £0.450m, mainly as a result of an increase in Unaccompanied Asylum Seeking Children (UASC), and changes in legislation such as the Staying Put and Southwark judgement. Ongoing pressures in the Emergency Duty team of £0.218m due to increases in referrals for the Adult's service. There are also overspends in Integrated Commissioning of £0.234m related to staffing; and Operations and Programmes of £0.483m related to staffing and £0.128m relating to a risk formerly anticipated on the SALT contract now being reported as an overspend.

There is a net underspend within Adult Services totalling (£0.019m). This consists of overspends of £0.876m on employee costs relating to operational and Mental Health pressures and an increase demand in Occupational Therapy assessments, offset by a (£0.895m) underspend on Learning Disabilities and Physical Support contracts.

Public Health is reporting a nil variance and any underspend against the budgeted use of reserves will reduce the requirement to use those reserves in year. The budgeted reserves drawdown of £1.023m has reduced to £0.293m at period 6 and the £0.730m difference will be retained in reserves for future years' spend. The main variance influencing the drawdown from reserves are savings of £0.979m across contracted services due to the conclusion of a large re-procurement. An overspend of £0.235m from the salaries budgets arising from the restructure of the service has also affected the overall figure.

There are reported risks as per period 6, of £0.285m in Family Services mostly due to extra responsibilities placed on the Council as part of the Children's Social Work Act 2017 and increased number of care leavers at the start of 2018/19.

The opportunities totalling (£0.300m) reported in period 5 within Sexual Health and Behaviour Change have now been realised and there are no further opportunities reported in period 6.

Environment and City Management (*Councillor Tim Mitchell*)

At the end of period 6, the portfolio is forecasting an underspend outturn of (£0.079m) against an annual budget of £13.586m. This has arisen from an overspend within City Highways of £0.471m offset by an underspend of (£0.550m) within Waste and Parks.

There are however, reported risks of £0.150m, relating to increased volumes of footways maintenance, costs attributed to inspection of bridges, collapsed vaults and salaries. An opportunity of £0.520m is being reported. This relates mainly to commercial waste income and waste disposal volumes of £0.450m.

Public Protection and Licensing *(Councillor Ian Adams)*

At the end of period 6, the reported forecast outturn is equivalent to the annual budget of £8.271m with no reported opportunities or risks.

Housing and Customer Services *(Councillor Andrew Smith)*

At the end of period 6, the portfolio is forecasting an overspend of £0.277m against the annual budget of £35.482m. This is due to a previously reported risk within Information Services relating to agency, licensing costs, and reduced S113 income being realised in period 6.

There is a risk of £0.200m mainly relating to pay costs incurred on non-capital related projects currently being worked on in Information Services to ensure systems are operating at an optimal level.

There are no reported opportunities at period 6.

Place Shaping and Planning *(Councillor Richard Beddoe)*

At the end of period 6, the portfolio is forecasting an overspend of £0.600m against the annual budget of £1.927m. This is due to an under recovery of planning income of £1.200m driven by a reduction in volume of major applications and associated Planning Performance Agreements (PPAs), partly offset by an underspend in employee costs of £0.600m. In period 5 these were shown as a risk of £1.000m and opportunity of £0.500m respectively. Further analysis undertaken this month has confirmed that they should be declared as a forecast variance.

There are reported risks of £0.300m, which relate to additional employee costs in Place Shaping.

There are no reported opportunities in period 6.

3. Capital – Forecast Outturn

The Council's General Fund capital projects are currently forecasting gross expenditure of £285.497m and gross income of £115.512m against a revised gross expenditure budget of £393.572m and gross income budget of £179.848m. This equates to a net underspend of £43.740m comprising an underspend of £108.075m on expenditure and an under-recovery of income of £64.335m.

The table below summarises the period 6 forecast position by the category of projects:

Project Categorisation	Revised Expenditure Budget	Revised Funding Budget	Expenditure Forecast	Funding Forecast	Expenditure Variance	Funding Variance	Net Variance
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Development	143,419	(77,031)	86,960	(58,691)	(56,459)	18,340	(38,119)
Efficiency	28,468	-	35,652	-	7,184	-	7,184
Investment	-	-	-	-	-	-	-
Operational	221,685	(102,817)	162,885	(56,821)	(58,800)	45,996	(12,805)
Grand Total	393,572	(179,848)	285,497	(115,512)	(108,075)	64,335	(43,740)

Efficiency - Flexible Use of Capital Receipts (FCR)

These schemes are funded in accordance with the government's "Flexible use of Capital Receipts" (FCR) initiative. Flexible use of Capital Receipts (FCR) can fund revenue expenditure on any project that is designed to:

- generate ongoing revenue savings in the delivery of public services
- transform service delivery to reduce costs
- transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

As further business cases are reviewed additional revenue savings may be identified. Full Council approval must be sought for increased use of FCR. The projects are detailed below:

FCR Projects	Efficiency Savings
Capitalisation of Pension Contribution	The use of capital receipts to reduce the historic deficit on the Pension Fund will make future ongoing net savings in annual deficit recovery payments.
City Hall	The improvements will result in a building that will be more efficient with reduced running costs and will generate increased rental income from leasing out 10 floors.
Digital Transformation	By adopting Digital solutions to transform service delivery, the Council envisages that ongoing revenue savings will be achieved. The scope of the programme is currently under review due to a change in leadership.
Technology Refresh	Through a successful tender, the transition to a new contract in an incremental manner will enable recurring savings of £0.350m per annum from 2022/23.
Network and Telephony Transformation	Establishing infrastructure that is common across WCC and RBKC will enable ICT to re-procure the contract with a recurring saving anticipated of £0.600m.

The period 6 forecast summary by Cabinet Member is as follows:

Cabinet Member

General Fund Summary

	Revised Expenditure Budget	Revised Income	Expenditure Forecast	Income Forecast	Expenditure Variance	Income Variance	Previous Expenditure Forecast	Expenditure to Date
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Deputy Leader, Economic Development, Education and Community	23,514	(18,032)	14,844	(9,817)	(8,670)	8,215	14,344	3,765
Environment and City Management	41,757	(13,736)	32,698	(8,413)	(9,060)	5,323	32,804	6,959
Family Services and Public Health	1,208	(1,208)	291	(291)	(917)	917	291	40
Finance, Property and Regeneration	153,189	(30,013)	114,317	(33,426)	(38,872)	(3,413)	117,640	60,506
Housing and Customer Services	64,208	(41,712)	50,328	(29,022)	(13,880)	12,690	57,502	15,398
Place Shaping and Planning	21,177	(19,036)	1,453	(828)	(19,724)	18,208	1,253	513
Environment and City Management/Place Shaping and Planning	58,346	(54,813)	34,144	(32,303)	(24,202)	22,510	36,639	11,901
Public Protection and Licensing	1,655	(1,297)	1,770	(1,412)	115	(115)	1,770	650
Leader of the Council	50	-	-	-	(50)	-	-	-
Service Area Total	365,104	(179,848)	249,845	(115,512)	(115,259)	64,335	262,243	99,732
Projects Funded from Flexible use of Capital Receipts	28,468	-	35,652	-	7,184	-	31,327	5,031
Grand Total	393,572	(179,848)	285,497	(115,512)	(108,075)	64,335	293,570	104,763

Funding

	Revised Funding Budget	Funding Forecast	Variance
	(£,000's)	(£,000's)	(£,000's)
Grants	(179,848)	(115,512)	64,335
Contributions			-
Revenue Account			-
External Funding Total	(179,848)	(115,512)	64,335
Internal Funding*	(213,724)	(169,985)	43,740
Grand Total	(393,572)	(285,497)	108,075

* This is by capital receipts or borrowing

Generation of Capital Receipts

	Revised Budget	Full Year Forecast	Actual to Date
	(£,000's)	(£,000's)	(£,000's)
Queensway Car Park	-	(3,247)	(3,247)
Moxon Street	-	(84,800)	(84,800)
Sir Simon Milton UTC	-	(8,100)	(8,080)
Capital Receipts Total	-	(96,147)	(96,127)

Leader of the Council (*Councillor Nickie Aiken*)

A capital budget of £0.050m will not be utilised as the project is now closed.

Deputy Leader, Economic Development, Education and Community (*Councillor David Harvey*)

At period 6, the portfolio is forecasting a £8.670m underspend. The majority of the underspend is due to Pimlico Academy, which is budgeted at £5.110m and is expected to be postponed whilst awaiting Cabinet Member approval.

The King Solomon School Expansion is now expected to complete in 2020/21. This is after lengthy negotiations with the school and the inclusion of Paddington Green School. This has caused the project costs to rise to £6.100m and £1.892m budget to be re-profiled to future years.

A number of projects have been re-profiled to future years, including Hallfield Site Improvements (£0.905m) and Portman - Boiler and Distribution (£0.854m). The underspend is partly offset by overspend on some projects, including Paddington Recreation Ground Capital Improvements (£0.171m) which is matched with additional CIL funding.

Finance, Property and Regeneration (*Councillor Rachael Robathan*)

There is a forecast underspend of £38.870m against the full year budget. Leisure Review is forecasting an underspend of £21.436m. The project is currently on hold and officers are not actively seeking properties.

Huguenot House Strategic Acquisitions is forecasting an underspend of £3.732m. Current activity includes the purchase of two flats and an offer made on a third. If further acquisitions become likely the forecast will be increased accordingly.

City Hall Refurbishment is currently being forecasted a £3.563m underspend. However £0.606m has been drawn down from its contingency budget which was held centrally and reported within City Treasurers previously.

There is an in year underspend of £2.784m for the Coroner's Court. This is due to re-phasing of works as the Council negotiates funding with partner organisations.

There is an in year underspend of £2.776m for Beachcroft related to delays in commissioning a new sub-station on the site and decommissioning the old one. This will delay the project by 15 weeks.

Church Street Green Spine project is forecasting an in year underspend of £2.000m due to the re-phasing of the works.

Seymour Leisure Centre is currently forecasting an underspend of £1.551m due to delays in the project as a result of stakeholder consultations relating to the swimming pool impacting the library scheme.

Dudley House is forecasting an in year overspend of £2.987m due to rescheduling of works to ensure the school is completed for the new year. The remaining £4.015m net underspend relates to various schemes in Finance, Property and Regeneration.

Family Services and Public Health *(Councillor Heather Acton)*

At period 6, Family Services and Public Health is forecasting a £0.917m underspend. The main variance contributor is the Lupus Street project, which has been re-profiled into 2019/20. This is a formal day care centre, which is empty. Adults Commissioning and Housing are jointly carrying out a strategic review of housing needs (for example for people with mental health issues) and this will then inform the direction of use of the property.

In addition, the remaining underspends are on IT systems projects. These include upgrade to the Health Integration (£0.200m), People First Website (£0.100m), Framework I upgrade to Mosaic (£0.050m) and the procurement of an add on to facilitate Customer Self Service (£0.100m). The review is ongoing which means that the completion dates are currently uncertain.

A further reduction is in relation to the Barney and Florey project (£0.091m) where the scheme has been delayed due to agreement of new leases, and is now projected to complete in early 2019-20, and the Beachcroft Expansion project has now completed with an underspend of £0.049m.

Environment and City Management *(Councillor Tim Mitchell)*

Environment and City Management is forecasting a £9.060m reduction against the budget. Cycle Schemes is reporting a £3.350m underspend pending plans for future schemes together with re-profiling of £1.240m to future years as a result of delays on route 11, Quietway 88 and Circle Line East.

TFL Local Improvement Plan Placeholder has underspent by £1.678m, as this TFL funded scheme is not progressing. There is a re-profiling of £1.664m expected on the Piccadilly Underpass project. This is due to feasibility studies being more complex than originally envisaged, following additional works to identify fire prevention measures.

A budget of £0.717m has been re-profiled to 2018/19 for the Waterloo and Golden Jubilee Bridge project, due to works required to monitor the weight of the bridge not commencing until the end of 2018/19.

The remaining main reductions relate to re-profiling of LED Lighting Rollout (£0.600m), underspends on Cleveland Row Public Realm (£0.492m) and other minor variances totalling (£0.456m), following changes of scopes and phasing.

The reductions have been partly offset by additional CIL funded projects, including Planned Preventative Maintenance - Highways of £0.597m, Victoria Embankment Mooring Rings (£0.400m) and CIL London Cycle Hire (£0.140m). As the additional works are fully funded by CIL there is no financial impact on the council.

Public Protection and Licensing *(Councillor Ian Adams)*

At period 6, Public Protection and Licensing is forecasting an increase of £0.115m in expenditure. The overspend relates to Disabled Facilities Grant project, which is fully funded.

Housing and Customer Services *(Councillor Andrew Smith)*

There is a forecast reduction of £13.880m in expenditure against the full year budget. The movement is outlined below. Affordable Housing Fund budget is forecasting to underspend by £6.883m which is in line with the current payments to Registered Providers.

Temporary Accommodation In Borough Purchases have reduced by £5.807m and is now consistent with current purchasing activity.

Temporary Accommodation Acquisitions have underspent by £1.367m as the works required are less than the department initially anticipated.

The remaining £0.8111m reductions are related to smaller IT projects.

The underspend is mainly offset by the overspend on IT projects including End User Computer project (£0.988m). The final decision is not yet made as to which hardware will be adopted but it is anticipated that specification of the machines will be higher than previously forecast. Currently, two devices are being tested which range from £700 to £900 per unit. The forecast at period 6 is on the assumption that the device costing £900 will be implemented.

Place Shaping and Planning *(Councillor Richard Beddoe)*

At period 6, Place Shaping and Planning is forecasting a spend reduction of £19.724m. The main underspend of £20.356m is related to Oxford Street District (£20.119m Oxford Street West, £0.106m Oxford Street East and £0.131m Air Quality). Scheme options are currently being reviewed.

The Street Trees - New Planting is forecasting a reduction of £0.200m as the project will not commence this year.

The budget increase is due to the re-profiling of Strand/Aldwych (£0.612m) and Soho (£0.200m) projects. The Strand/Aldwych project has secured £0.670m CIL funding, which will enable the £0.775m of stage 2 initial design works to commence in 2018/19. The Soho project which was budgeted in next year is now going to commence in this financial year.

Environment and City Management *(Councillor Tim Mitchell)* / **Place Shaping and Planning** *(Councillor Richard Beddoe)*

At period 6, Environment and City Management/Place Shaping and Planning are forecasting to underspend by £24.202m.

Ceremonial Streetscape is re-profiling a £4.872m into 2019/20. The project is awaiting the necessary planning permissions due to more complex designs being put forward. Queensway Streetscape is re-profiling a £4.163m into 2019/20 due to delays in consultation and planning permissions.

Hanover Square is re-profiling of £4.143m into future years due to delays in accessing the site caused by over-running Cross Rail works.

East Mayfair Public Realm Scheme is forecasting a £2.415m underspend. The original plan allowing potential expansion in scope of works is not being commissioned due to lack of interest from third party.

Berkeley Square is forecasting a £2.054m underspend following changes in phasing at implementation stage.

Covent Garden Streetscape is re-profiling £1.650m due to changes in scope and Jermyn Street is re-profiling £1.324m to 2019/20, following a change in the phasing as well as a large element of risk and contingency being taken into account.

The remaining of £3.581m underspend relates to projects with smaller variances.

Further analysis of the expenditure position splitting projects between Development, Operational, Investment and Efficiency areas can be found in **Appendix 1 and Appendix 2**.

HRA

REVENUE EXPENDITURE – 2018/19 Budgets and Projected Expenditure

The Housing Revenue Account is forecasting an under spend of £0.232m as at period 6. This represents an improvement of £0.266m compared to last month. The forecast variance is due to a £0.985m underspend against expenditure mainly due to reductions in community electricity costs, repairs and maintenance and interest payments. Income is forecast to under recover by £0.753m mainly due to lower income from tenants, commercial properties and Pimlico District Heating Unit (PDHU).

CAPITAL EXPENDITURE – 2018/19 Budgets and Projected Expenditure

At the end of period 6, the forecast gross capital expenditure outturn for the HRA is £114.797m resulting in a total variance of £35.549m compared to the budget of £150.345m. This reflects the expenditure forecast for Major Works of £49.149m, Housing Regeneration of £34.409m and Other Projects of £31.239m. The movement against last month's variance is a downward revision of £6.196m.

HRA Capital Expenditure Forecast – Period 6

Description	Full Year Budget	Forecast	Variance
	£'000	£'000	£'000
Major Works	55,783	49,149	(6,634)
Housing Regeneration	63,009	34,409	(28,600)
Other Projects	31,553	31,239	(314)
Total Capital Expenditure	150,345	114,797	(35,549)

Appendix 1 Capital Budget Analysis

Project Categorisation Cabinet Member

		Revised Expenditure Budget	Revised Funding Budget	Expenditure Forecast	Funding Forecast	Expenditure Variance	Funding Variance	Net Variance
		(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Operational	Environment and City Management	38,183	(12,252)	29,511	(6,740)	(8,672)	5,512	(3,160)
	Environment and City Management/Place Shaping and Planning	29,307	(28,729)	21,845	(21,277)	(7,462)	7,452	(10)
	Finance, Property and Regeneration	61,833	-	55,409	-	(6,424)	-	(6,424)
	Housing and Customer Services	44,759	(22,263)	37,762	(16,456)	(6,997)	5,807	(1,190)
	Place Shaping and Planning	21,177	(19,036)	1,453	(828)	(19,724)	18,208	(1,515)
	Public Protection and Licensing	1,655	(1,297)	1,770	(1,412)	115	-	115
	Leader of the Council	50	-	-	-	(50)	-	(50)
	Family Services and Public Health	1,208	(1,208)	291	(291)	(917)	917	-
	Deputy Leader, Economic Development, Education and Community	23,514	(18,032)	14,844	(9,817)	(8,670)	8,215	(455)
Operational Total		221,685	(102,817)	162,885	(56,821)	(58,800)	45,996	(12,805)
Development	Environment and City Management	3,575	(1,484)	3,187	(1,673)	(388)	-	(388)
	Environment and City Management/Place Shaping and Planning	29,039	(26,085)	12,299	(11,026)	(16,740)	15,059	(1,681)
	Finance, Property and Regeneration	91,356	(30,013)	58,908	(33,426)	(32,448)	(3,413)	(35,860)
	Housing and Customer Services	19,449	(19,449)	12,566	(12,566)	(6,883)	6,883	-
Development Total		143,419	(77,031)	86,960	(58,691)	(56,459)	18,340	(38,119)
Investment	Finance, Property and Regeneration	-	-	-	-	-	-	-
Investment Total		-	-	-	-	-	-	-
Efficiency	FCR	28,468	-	35,652	-	7,184	-	7,184
Efficiency Total		28,468	-	35,652	-	7,184	-	7,184
Grand Total		393,572	(179,848)	285,497	(115,512)	(108,075)	64,335	(43,740)

Appendix 2 Capital Budget Analysis by Project

Project Categorisation	Project	Revised Expenditure Budget	Revised Funding Budget	Expenditure Forecast	Funding Forecast	Expenditure Variance	Funding Variance	Net Variance
Development	AFFORDABLE HOUSING FUND BUDGET	19,449	(19,449)	12,566	(12,566)	(6,883)	6,883	-
	BEACHCROFT	15,376	(1,168)	12,600	(3,572)	(2,776)	(2,404)	(5,180)
	BERKELEY SQUARE NORTH	4,654	(4,654)	2,600	(2,600)	(2,054)	2,054	-
	BOND STREET	2,806	(1,784)	2,806	(1,784)	-	-	-
	BOND STREET WESTERN TICKET HALL	1,013	(1,013)	80	(80)	(933)	933	-
	CARLTON DENE	308	-	227	-	(81)	-	(81)
	CHURCH ST GREEN SPINE PUBLIC REALM	2,800	(3,300)	800	(800)	(2,000)	2,500	500
	CHURCH STREET REGENERATION	(148)	148	-	-	148	(148)	-
	DUDLEY HOUSE	37,052	(25,539)	40,039	(28,500)	2,987	(2,961)	26
	DUKE STREET PUBLIC REALM	1,286	(1,286)	311	(311)	(975)	975	-
	EAST MAYFAIR PUBLIC REALM SCHEME	3,565	(3,296)	800	(800)	(2,765)	2,496	(269)
	FARM STREET	156	-	60	-	(96)	-	(96)
	FUTURE EDUCATION NEEDS	650	-	-	-	(650)	-	(650)
	HANOVER SQUARE	5,843	(5,843)	1,700	(1,700)	(4,143)	4,143	-
	HUGUENOT HOUSE REDEVELOPMENT	1,205	-	156	-	(1,049)	-	(1,049)
	JERMYN STREET	3,074	(3,774)	1,750	(1,750)	(1,324)	2,024	700
	LEICESTER SQUARETICKET BOOTH	454	-	20	-	(434)	-	(434)
	LEISURE REVIEW - DEVELOPMENT	(24)	-	12	-	36	-	36
	LISSON GROVE PROGRAMME	2,364	-	1,247	-	(1,117)	-	(1,117)
	LUXBOROUGH DEVELOPMENT	1,308	-	444	-	(864)	-	(864)
	MOBERLY SPORTS CENTRE REDEVELOPMENT	978	(114)	887	-	(91)	114	23
	QUEENSWAY STREETScape	4,663	(2,300)	500	(249)	(4,163)	2,051	(2,112)
	SEYMOUR LEISURE CENTRE	1,851	-	300	-	(1,551)	-	(1,551)
	SIR SIMON MILTON UNIVERSITY TECHNICAL COLLEGE	155	(155)	554	(554)	399	(399)	-
	ST JAMES'S PALACE FORECOURT	2,135	(2,135)	1,752	(1,752)	(383)	383	(1)
	STRATEGIC ACQUISITIONS - HUGUENOT HOUSE	6,078	-	2,346	-	(3,732)	-	(3,732)
	STRATEGIC ACQUISITIONS LEISURE REVIEW	21,436	-	-	-	(21,436)	-	(21,436)
	STRUTTON GROUND	2,597	(1,370)	2,300	(1,673)	(297)	(303)	(600)
	WESTMEAD	335	-	103	-	(232)	-	(232)
	Development Total	143,419	(77,031)	86,960	(58,691)	(56,459)	18,340	(38,119)
Efficiency	CAPITALISATION OF PENSION CONTRIBUTION	20,000	-	20,000	-	-	-	-
	CITY HALL REVENUE COSTS	8,124	-	13,243	-	5,119	-	5,119
	DIGITAL TRANSFORMATION	344	-	334	-	(10)	-	(10)
	NETWORK AND TELEPHONY TRANSFORMATION	-	-	1,325	-	1,325	-	1,325
Efficiency Total	TECHNOLOGY REFRESH	-	-	750	-	750	-	750
		28,468	-	35,652	-	7,184	-	7,184
Operational	20 GROSVENOR SQUARE	550	(550)	550	(550)	-	-	-
	291 HARROW ROAD	240	(240)	60	(60)	(180)	180	-
	9/11 NEW CAVENDISH STREET	46	-	-	-	(46)	-	(46)
	ABELL AND CLELAND PUBLIC REALM	1,040	(1,040)	100	(100)	(940)	940	-
	BAKER STREET TWO WAY	7,550	(7,322)	7,550	(7,332)	-	(10)	(10)
	BARNEY & FLOREY	182	(182)	91	(91)	(91)	91	-
	BEACHCROFT EXPANSION	49	(49)	-	-	(49)	49	-
	CAPITALISED SALARY COSTS	415	-	779	-	364	-	364
	CCTV CRIME AND DISORDER ESTATE	158	-	158	-	-	-	-
	CEMETERIES IMPROVEMENTS	60	-	60	-	-	-	-
	CEREMONIAL STREETScape	8,872	(8,872)	4,000	(4,000)	(4,872)	4,872	-
	CIL LONDON CYCLE HIRE	-	-	140	(140)	140	(140)	-
	CITY HALL - MAJOR REFURBISHMENT	51,647	-	48,084	-	(3,563)	-	(3,563)
	CLEVELAND ROW PUBLIC REALM	992	(1,012)	500	(500)	(492)	512	20
	CORONERS COURT IMPROVEMENTS	2,864	-	80	-	(2,784)	-	(2,784)
	CORPORATE SOFTWARE LICENCES	50	-	50	-	-	-	-
	COSWAY STREET	500	-	200	-	(300)	-	(300)
	COUNCIL HOUSE - FIT OUT FOR REGISTRARS AND CIVIC CEREMONIES	42	-	-	-	(42)	-	(42)
	COUNCIL HOUSE - LEASE DISPOSAL COSTS	283	-	326	-	43	-	43
	COVENT GARDEN STREETScape	2,000	(2,000)	350	(350)	(1,650)	1,650	-
	CUSTOMER SELF SERVICE DIGITAL ENHANCEMENT	100	(100)	-	-	(100)	100	-
	CYCLE SCHEMES	6,200	(6,200)	1,610	(1,610)	(4,590)	4,590	-
	DATA CENTRE REFRESH	110	-	100	-	(10)	-	(10)
	DATA NETWORK REFRESH	568	-	190	-	(378)	-	(378)
	DISABLED FACILITIES GRANT PROGRAMME	1,297	(1,297)	1,412	(1,412)	115	(115)	-
	EAST MAYFAIR PUBLIC REALM SCHEME	850	(850)	1,200	(1,200)	350	(350)	-
	END-USER COMPUTING REFRESH	2,382	-	3,370	-	988	-	988
	ENERGY MONITOR & TARGET	748	-	748	-	-	-	-
	ENTERPRISE	1,077	-	1,077	-	-	-	-
	EVENTS AND FILMING	50	-	-	-	(50)	-	(50)
	FORWARD MANAGEMENT PLAN	1,036	-	1,036	-	-	-	-
	FRAMEWORKI- UPGRADE TO MOSAIC	150	(150)	100	(100)	(50)	50	-
	GLASSHOUSE STREET	800	(800)	800	(800)	-	-	-
	HALLFIELD HEATING & DISTRIBUTION	604	(604)	790	(790)	186	(186)	-
	HALLFIELD SITE IMPROVEMENTS	905	(905)	-	-	(905)	905	-
	HARROW ROAD BRIDGE CATHODIC PROTECTION	2,400	-	2,400	-	-	-	-
	HEALTH INTEGRATION	200	(200)	-	-	(200)	200	-
	HOUSING INVESTMENT IN DISCHARGE OF DUTY PHASE 2	15,000	-	15,000	-	-	-	-
	KING SOLOMON SCHOOL EXPANSION	4,004	(4,004)	2,112	(2,112)	(1,892)	1,892	-

Project Categorisation
operational (Continued)

Project

LANDLORD RESP- TACHBROOK STREE
LANDLORD RESPONSIBILITIES
LANDLORD RESPONSIBLITY - MAYFAIR LIBRARY
LANDLORD RESPONSIBLITY- REGENCY CAFE
LED LIGHTING ROLLOUT
LEISURE FACILITIES CAPITAL INVESTMENT PROGRAMME
LIBRARIES CAPITAL IMPROVEMENTS
LISSON GROVE IMPROVEMENT - INFRASTRUCTURE
LOCAL SAFETY AND TRAFFIC MANAGEMENT SCHEMES
LUPUS STREET
MANDELA WAY UPGRADE
MINIMUM ENERGY EFFICIENCY STANDARD (MEES) COMPLIANCE
MOBILE WORKING
MULTI USE GAMES AREAS AND OUTDOOR FITNESS FACILITIES
NEWPORT PLACE
NHB PLACES OF WORK
OPEN SPACES AND GREENER PLACES
OPEN SPACES STRATEGY AND PARKS CAPITAL WORKS
OXFORD STREET DISTRICT
PADDINGTON RECREATION GROUND CAPITAL IMPROVEMENTS
PADDINGTON RECREATION GROUND SYNTHETIC PITCH REPLACEMENT
PARKING & INTEGRATED STREET MANAGEMENT IT
PEOPLE FIRST WEBSITE
PICCADILLY UNDERPASS
PIMLICO ACADEMY
PLANNED PREVENTATIVE MAINTENANCE - BRIDGES AND STRUCTURES
PLANNED PREVENTATIVE MAINTENANCE - HIGHWAYS
PLANNED PREVENTATIVE MAINTENANCE - LIGHTING
PORTMAN - BOILER AND DISTRIBUTION
PUBLIC REALM IMPROVEMENT SCHEMES
QUEEN'S PARK SAFEGUARDING WORKS
QUEENS PARK SCHOOL - BOILER REPLACEMENT
QUINTIN KYNASTON
REMODELLING OF EARLY HELP/ CHILDREN'S SERVICES INVESTMENT
ROBINFIELD NEW RECEPTION
SAFE AND SECURE RENOVATION
SCHOOLS MINOR WORKS PROJECTS
SHERWOOD STREET FOOTWAY WIDENING
SOHO
ST GEORGE'S SCHOOL EXPANSION
ST MARYLEBONE BRIDGE SPECIAL SCHOOL EXPANSION
STREET TREES - NEW PLANTING
TA PURCHASE IBB
TEMPORARY ACCOMMODATION ACQUISITIONS
TFL IP PLACEHOLDER
UNIVERSAL FREE INFANT SCHOOL MEALS
VICTORIA EMBANKMENT MOORING RINGS
VICTORIA EMBANKMENT STURGEONS
VILLIERS STREET PUBLIC REALM
WASTE CONTAINERS
WASTE FLEET
WATERLOO AND GOLDEN JUBILEE BRIDGE
WEP - CONNECT WESTMINSTER (BROADBAND)
WEP - THE STRAND-ALDWYCH
WESTMINSTER CITY SCHOOL ACADEMY EXPANSIONS

Operational Total
Grand Total

Revised Expenditure Budget	Revised Funding Budget	Expenditure Forecast	Funding Forecast	Expenditure Variance	Funding Variance	Net Variance
-	-	62		62	-	62
2,498	-	2,625		127	-	127
393	-	250		(143)	-	(143)
140	-			(140)	-	(140)
988	-	388	(200)	(600)	(200)	(800)
900	(115)	900	(115)	-	-	-
1,206	-	1,206	-	-	-	-
771	-	771		-	-	-
3,223	(1,672)	3,154	(1,603)	(69)	69	-
327	(327)	-	-	(327)	327	-
398	-	398		-	-	-
50	-	50		-	-	-
100	(100)	100	(100)	-	-	-
321	(170)	119	-	(202)	170	(32)
1,396	(1,046)	1,146	(796)	(250)	250	-
400	(400)	400	(400)	-	-	-
225	(25)	225	(25)	-	-	-
940	(640)	940	(640)	-	-	-
20,356	(18,691)			(20,356)	18,691	(1,665)
159	-	330	(171)	171	(171)	-
400	-	400	-	-	-	-
623	-	200		(423)	-	(423)
100	(100)	-	-	(100)	100	-
2,664	-	1,000	-	(1,664)	-	(1,664)
5,111	(5,111)			(5,111)	5,111	-
1,115	(375)	1,115	(375)	-	-	-
9,442	-	10,039	(597)	597	(597)	-
3,068	-	3,068	-	-	-	-
854	(724)			(854)	724	(130)
6,518	(6,049)	6,518	(6,049)	-	-	-
19	(19)			(19)	19	-
9	(9)			(9)	9	-
(4)	4			4	(4)	-
622	-	622		-	-	-
16	(16)			(16)	16	-
200	-	200	-	-	-	-
252	(252)	252	(252)	-	-	-
650	(650)	650	(650)	-	-	-
-	-	200		200	-	200
5,473	(5,473)	4,818	(4,818)	(655)	655	-
-	-	500	(500)	500	(500)	-
200	-	200		-	-	-
22,263	(22,263)	16,456	(16,456)	(5,807)	5,807	-
3,763	-	2,396		(1,367)	-	(1,367)
1,678	(1,678)	-	-	(1,678)	1,678	-
20	(20)			(20)	20	-
-	-	400	(400)	400	(400)	-
890	-	890	-	-	-	-
200	(200)	100	(100)	(100)	100	-
142	-	142	-	-	-	-
2,070	-	2,070	-	-	-	-
967	-	250	-	(717)	-	(717)
1,904	(952)	1,318	(659)	(586)	293	(293)
381	(105)	993	(768)	612	(663)	(51)
(738)	738			738	(738)	-
221,685	(102,817)	162,885	(56,821)	(58,800)	45,996	(12,805)
393,572	(179,848)	285,497	(115,512)	(108,075)	64,335	(43,740)

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Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	14 November 2018
Classification:	For General Release
Title:	Internal Audit 2018/19 – Progress Report (September to October 2018)
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	David Hodgkinson, Deputy Section 151 Officer
Report author:	Moira Mackie, Senior Manager; email: moira.mackie@rbkc.gov.uk 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 three positive assurance reviews (substantial or satisfactory) being issued in the period.
- 1.2 The follow up reviews completed in the period for five audits confirmed that the implementation of recommendations has been effective with the majority (92%) 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 but these are expected to improve during the year.
- 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 Shared Services 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. The updated Internal Audit Charter is being reported to this Committee as a separate Agenda item. 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 Shared Services 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 three positive assurance (substantial or satisfactory) reviews being issued in the period.

5. Audit Outcomes (September to October 2018)

- 5.1 Since the last report to Members three audits have been completed, none of which identified any key areas of concern:

Audit	Assurance	RAG
ASC – Public Health Prioritisation Framework	Satisfactory	Green
Schools – St Mary Magdalene Primary	Satisfactory	Green
CS – Off Payroll Working (IR 35)	Substantial	Green

*Further information on these audits is contained in Appendix 2.

5.2 Implementation of Audit Recommendations

Five follow-up reviews were undertaken in the period (September to October 2018) which confirmed that 92% of recommendations made had been implemented with good progress made to implement the remaining recommendations:

Audit	No of Recs Made			No of Recs Implemented			No of Recs In Progress			No of Recs not yet actioned		
ASC – Carers Assessments	8			6			2			0		
CHS – Passenger Transport	13			12			1			0		
Schools – St Augustine’s High School	7			7			0			0		
Schools – St Luke’s Primary School	8			8			0			0		
CS – IT Mobile Device Security	1			1			0			0		
Total	37			34			3			0		
Priority of recommendations	H	M	L	H	M	L	H	M	L	H	M	L
	3	8	2	2	7	2	1	1	0	0	0	0

Follow up work 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:

Moira Mackie on 020 7854 5922

Email: Moira.Mackie@rbkc.gov.uk

or

David Hughes on 020 7361 2389

Email: David.Hughes@rbkc.gov.uk

BACKGROUND PAPERS

Internal Audit Reports;

2018/19

Internal Audits Completed Year to Date

Audits Completed Year to Date - 2018/19

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
ASC	Direct Payments (cfwd from 2017/18)	Green	Satisfactory	1	4	7	September 2018
ASC	IT – Mosaic (cfwd from 2017/18)	Green	Satisfactory	0	0	1	September 2018
ASC	Public Health Prioritisation Framework (cfwd from 2017/18)	Green	Satisfactory	1	2	0	November 2018
CHS	Leaving Care (cfwd from 2017/18)	Amber	Limited	2	4	0	September 2018
CHS	Supplier Resilience (cfwd from 2017/18)	Green	Satisfactory	0	2	1	September 2018
CHS	IT – Mosaic (cfwd from 2017/18)	Green	Satisfactory	0	3	0	September 2018
School	Our Lady of Dolours (cfwd from 2017/18)	Green	Satisfactory	0	2	3	September 2018
School	St Barnabas (cfwd from 2017/18)	Green	Satisfactory	0	5	3	September 2018
School	St Peters Chippenham Mews (cfwd from 2017/18)	Green	Satisfactory	1	1	4	September 2018
School	St Mary Magdalene (cfwd from 2017/18)	Green	Satisfactory	0	3	3	November 2018
GPH	Planning (cfwd from 2017/18)	Green	Satisfactory	0	3	0	September 2018
CMC	Licensing (cfwd from 2017/18)	Green	Satisfactory	0	4	2	September 2018
CMC	Libraries Target Operating Model (cfwd from 2017/18)	Green	Satisfactory	0	4	1	September 2018
CS	IT – Service Governance (cfwd from 2017/18)	Green	Satisfactory	0	2	1	September 2018

Audits Completed Year to Date - 2018/19

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
CS	IT – Procurement & Contract Monitoring (cfwd from 2017/18)	Amber	Limited	2	3	0	September 2018
CS	Members' IT (cfwd from 2017/18)	Amber	Limited	2	4	0	September 2018
CS	HR – Pensions Admin (cfwd from 2017/18)	Green	Satisfactory	0	1	4	September 2018
CS	HR – Off Payroll Working (IR35) (cfwd from 2017/18)	Green	Substantial	0	1	0	November 2018
CT	Housing Benefit (cfwd from 2017/18)	Green	Substantial	0	0	0	September 2018
CT	NNDR (cfwd from 2017/18)	Green	Substantial	0	0	0	September 2018

Additional Information on Audits (Main report – Paragraph 5.1)

Adult Social Care:

1. Public Health Prioritisation Framework (satisfactory assurance)

The Director of Public Health (DPH) has a statutory responsibility to deliver:

- Public health input to health and care service planning and commissioning;
- Measurable health improvement;
- Reduction of health inequalities; and,
- Health protection including emergency response.

The DPH has a ring-fenced budget to support delivery of these duties which is in place until April 2020 and may be extended beyond this date. The direction of commissioning is towards integrated commissioning with Adult's and Children's services. To ensure the DPH can effectively input into health and care service planning and commissioning, a Public Health services annual review is carried out. The primary purpose of the Prioritisation Framework is to inform discussions/strategies related to future funding decisions and budget allocations. The output from the framework does not result in a ranking of services commissioned, but is an annual data capture tool to consistently summarise important information across the Public Health commissioned portfolio. The framework can also be used to inform service/ quality improvement plans.

The audit confirmed that the Council's Prioritisation Framework was in line with the Public Health England Prioritisation Framework tool; included sufficient information to enable a clear link back to Public health outcomes; was evidence based; provided transparency, and allowed costs of funding one service over another to be better understood. Since the Council's Framework was developed, a departmental reorganisation has taken place with Public Health commissioning forming part of a wider integrated commissioning department.

One high and two medium priority recommendations were made to improve the information that supports the framework and more clearly demonstrates service and quality improvement and data capture. The service is going to review the tools and processes available to support evidenced based decisions and quality assurance and this will be built into future business planning and provide assurance that the Public Health Grant is spent in accordance with the conditions of the grant.

Children's Services:

2. 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, one final report has been issued in respect of school audits:

- St Mary Magdalene Primary School (satisfactory assurance).

No significant issues were identified at the school and the recommendations made will be followed up later in the year.

Corporate Services:**3. HR: Off Payroll Working (IR35) (substantial assurance)**

In April 2017, the Government introduced reforms to the intermediaries' legislation often known as IR35. The original IR 35 legislation effective from April 2000, was introduced with the aim of eliminating the avoidance amongst contractors of PAYE tax and National Insurance contributions via the use of intermediary companies. The legislation ensures that individuals who work through their own company pay employment taxes in a similar way to employees. The April 2017 reforms make it the responsibility of the Council to determine if the off-payroll rules for engagements apply. The Council is also required to account for and pay associated employment taxes and National Insurance Contributions (NICs) to HM Revenue and Customs (HMRC).

An audit of the Council's plans for implementing the requirements of IR35 was undertaken in 2016/17 and this received a limited assurance opinion. Now that the Council's policies and procedures have been in place for some time, it was considered appropriate to undertake a further audit in this area. The audit identified that appropriate policies and procedures had been prepared by the Council to ensure that staff are aware of their responsibilities and the checks that must be undertaken. In addition, an IR35 Consultant Specification is available to hiring managers to aide compliance. Controls are also in place to check and verify the employment status of each consultant/ temporary worker to ensure compliance with the legislation.

One medium priority recommendation was made to enhance the systems of control which has been accepted by management.

Performance Indicators 2018/19

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

Performance Indicators	Target	Actual	Comments
Delivery			
Percentage of audit plan completed YTD (Month 7) Full year target = 90%	45%	38%	Slightly below target.
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	88%	Slightly below target.
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%	3 received average score 4.5 (where 5 is the top score)
Percentage of recommendations implemented or in progress	95%	100%	YTD 50 out of 50 recommendations.

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Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 14 th November 2018
Classification:	For General Release
Title:	Counter Fraud 2018/19 – Half Year Report
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	David Hodgkinson, Deputy Section 151 Officer
Report author:	Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 2777

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 2018 to 30 September 2018.

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 2018 to 30 September 2018.
- 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.
- 1.4 Since April 2018 CAFS identified 106 positive outcomes. This includes 33 tenancy and housing-related successes and the successful prosecution of 53 individuals for fraudulently misusing disabled parking badges. For the period 1

April 2018 to 30 September 2018, fraud identified by CAFS has a value of over £320,000 and is detailed in the following table.

Activity	Fraud proved 2017/18 Half year	Fraud identified 2017/18 (£'s)	Fraud proved 2018/19 Half year	Fraud identified 2018/19 (£'s)
Housing Fraud (inc. Applications, assignments & successions)	8	47,344	3	27,700
Right to Buy	24	62,670	21	40,780
Advisory Report	3	8,000		
Prevention subtotal	35	118,014	24	68,480
Tenancy Fraud (CWH and Registered Providers)	13	80,100	10	98,950
Internal Staff and Other Services	7	17,694	7	14,266
Disabled Parking	11	36,231	53	119,250
Resident's Parking	32	35,945	11	18,000
Detection subtotal	63	169,970	81	250,466
Proceeds of Crime (POCA)	2	11,486	-	-
Press releases and publicity		-	1	2,000
Deterrence subtotal	2	11,486	1	2,000
Total	100	299,470	106	320,946

1.5 Details of noteworthy cases are reported in Appendix 1.

2. WHISTLEBLOWING

2.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern.

2.2 Since April 2018 CAFS received one referral via the whistleblowing process which remains ongoing. The table below provides an overview of the allegation and outcome of the investigation;

Allegation		Outcome
i.	Codes of Conduct breaches	An investigation remains ongoing

- 2.3 One case referred during 2016/17 financial year, which was deemed a protected disclosure has now concluded. One element of the case was resolved during 2017/18 when disciplinary action was taken against a member of staff for a data breach.
- 2.4 The second part of the investigation was concluded in August 2018. No further action was undertaken by the Council, but one of the Council's partner organisations were able to take appropriate action against an employee resulting in a dismissal.

3. ANTI-FRAUD AND CORRUPTION STRATEGY

- 3.1 The Council's Anti-Fraud & Corruption Strategy is based on three key themes: Acknowledge, Prevent and Pursue, and is aligned with the National Strategy: *Fighting Fraud and Corruption Locally*.
- 3.2 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.

4. ACKNOWLEDGE, PREVENT, PURSUE

(i) ACKNOWLEDGE

Committing support and resource to tackling fraud.

- 4.1 Since April 2017 CAFS have supported four officers complete their CIPFA Accredited Counter Fraud Specialist examination, and two officers began and are in the processes of completing the syllabus this year.
- 4.2 Additionally, one officer has continued his studies and is now an Accredited Financial Investigator, who has the powers to freeze assets and seize cash.
- 4.3 Financial investigation techniques can be used in all types of investigations, and this specialist officer will be able to use powerful legislative tools that target the proceeds of crime. This will help to provide alternative ways of uncovering

evidence, introduce time saving processes and provide revenue generation opportunities.

Maintain a robust anti-fraud response.

- 4.4 There are three critical elements of the operational plan that underpins and drives the Anti-Fraud and Corruption Strategy, and CAFS refer to this as the *Fraud Resilience Triangle*. The triangle is formed of:
- 1) Fraud Risk Register (*Acknowledge*)
 - 2) Pro-Active Work Programme (*Prevent*)
 - 3) Reactive Referrals (*Pursue*)
- 4.5 Responding solely with reactive referrals often fails to provide the levels of coverage required to provide a robust anti-fraud response. Therefore, during 2018/19 CAFS continue to dedicate resources to pro-active operations.
- 4.6 Combining pro-active work plans with reactive capability increase the chances of fraud detection. But regardless of how successful a proactive fraud operation may be in detecting fraud, it can always serve as a deterrent if the work is done visibly and if it is performed in areas that fraud perpetrators may consider operating.

(ii) PREVENT

Housing/Tenancy Fraud

- 4.7 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. CAFS also investigate allegations of subletting or other forms of tenancy breaches as well as the checking of all right to buys.
- 4.8 For the period 1 April 2018 to 30 September 2018, CAFS has successfully prevented three false successions/assignments and recovered ten properties including three three-bedroom addresses which are in high demand and can now be allocated to a family in genuine need of assistance. Of the ten recoveries, six involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties can be promptly reallocated.
- 4.9 A further seven cases are currently lodged with the Council's solicitors awaiting a court date.

Right to Buy (RTB)

- 4.10 CAFS apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.

- 4.11 For the period 1 April 2018 to 30 September 2018, CAFS have successfully prevented 21 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.
- 4.12 The prevention work undertaken by CAFS in respect of RTB continues to protect valuable Council stock.

Corporate investigations

- 4.13 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 Parking Fraud.
- 4.14 Since 1 April 2018 work in this area has included:
- Potential theft of sensitive data
 - Personal Budget misuse - investigation identified over £2,000 misused by client's family, advised on recovery and introduced controls to prevent future loss
 - Council Tax: Single Person Discount - £2,550 removed and bills revised
 - Accessible transport fraud

Parking investigations

- 4.15 CAFS continue to investigate the misuse of disabled parking badges, and for the period 1 April 2018 to 30 September 2018 have successfully prosecuted 53 offenders. A further eleven cases are currently lodged with the Council's solicitors awaiting a court date.
- 4.16 From the successful prosecutions secured to date, fines totalling £12,081 were imposed, and defendants ordered to pay the Council a total of £19,117 in costs and victim surcharges. The table below identifies the wards where offenders were unlawfully parking when apprehended.

WARD	Prosecutions
Marylebone High Street	28
West End	17
Bryanston & Dorset	4
Knightsbridge & Belgravia	2
St James	1
Hyde Park	1

- 4.17 CAFS also investigate the misuse of, and false application for, residents parking permits. For the period 1 April 2018 to 30 September 2018 the team have successfully detected and taken appropriate action against eleven offenders.

National Fraud Initiative (NFI)

- 4.18 A vital component of the of the anti-fraud and corruption strategy is making better use of information and technology. To this effect, CAFS participate in the National Fraud Initiative (NFI) which is a data matching exercise carried out by the Cabinet Office.
- 4.19 The Cabinet Office has statutory powers in the Local Audit and Accountability Act 2014 to request data from Councils, but as the data owners, we must ensure the Council remains compliant with the Data Protection Act 2018 in light of the additional burdens introduced by the General Data Protection Regulations (GDPR).
- 4.20 To provide this assurance CAFS have been required to review how the Council collects data, ensure that privacy notices and fair processing notices are in place, or agree action plans for correction. A total of fifteen different datasets were reviewed, and the findings are detailed in the table below.

Data Set	Fair Processing Notice (FPN)	Privacy Notice	Comments
Blue Badge	Yes	Yes	No action required
Resident's parking permit	Yes	Yes	No action required
Concessionary Travel	Yes	Yes	No action required
Council Tax Reduction Scheme	Yes	Yes	No action required
Council Tax	Yes	Yes	No action required
Trade Creditors Standing	No	No	Corrective action: Due to change from BT Agresso to IBC, new arrangements agreed for IBC website to include FPN notices.
Trade Creditors History	No	No	
Payroll	No	No	
Pensions	Yes	Yes	No action required
Housing tenants	Yes	Yes	Covered under CityWest Homes privacy notice
Waiting list	Yes	Yes	No action required
Right to Buy	Yes	Yes	Covered under CityWest Homes privacy notice
Residential care homes	Yes	Yes	No action required
Personal Budgets (Direct Payments)	Yes	Yes	No action required
Electoral Roll	Yes	Yes	No action required
Market Traders	Yes	Yes	No action required
Alcohol Licence	No	Yes	Corrective action: Raised awareness with Cabinet Office – government form fails to address FPN.

- 4.21 This data is currently being produced for the Cabinet Office, and matching results will be received in early 2019 for investigation.

(iii) PURSUE

Deterrence

- 4.22 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, essential that a robust enforcement response is available to pursue fraudsters and deter others.
- 4.23 In July 2018 a CityWest Homes tenant was successfully prosecuted after a CAFS investigation found that she was actually living in Swansea and fraudulently subletting the London property.
- 4.24 The former tenant at Scott Ellis Gardens, in Westminster, was successfully prosecuted at a two-day trial at Southwark Crown Court.
- 4.25 The tenant was found guilty of four charges in respect of the Fraud Act 2006 with two counts of fraud by false representation and two counts of fraud by failing to disclose information. On each of the two counts of fraud by false representation, they were sentenced to 18 months' imprisonment suspended for two years. On each of the two counts of fraud by failing to disclose information, they were sentenced to 12 months' imprisonment suspended for two years.
- 4.26 They were additionally ordered to complete 180 hours of unpaid work and to comply with 10 days of a Rehabilitation Activity Requirement.
- 4.27 The fraud was uncovered during the Right to Buy verification process undertaken by CAFS. Part of these checks involved unnotified visits which found the property to be occupied by someone else.

David Hughes
Director of Internal Audit, Risk, Fraud & Insurance

Local Government Access to Information Act – background papers used:
Case Management Information

Officer Contact:

Andy Hyatt

Tri-borough Head of Fraud

Telephone 0207 361 3795

E-mail: andrew.hyatt@rbkc.gov.uk

PRO-ACTIVE OPERATIONS

Source	Fraud Review	Details	Risk
Fraud Awareness	Human Resources (HR) – Schools Team	<p>Fraud awareness presentation given to HR Schools Team covering the following topics;</p> <ul style="list-style-type: none"> • Roles and responsibility of the Corporate Anti-Fraud Service • Explanation of what fraud is, including an overview of the Fraud Act 2006. • Anti-fraud strategies including prevention, detection, investigation and redress. • Provisions for fraud reporting and case studies <p>Positive feedback from this engagement has generated a further presentation scheduled for late November 2018 to be given directly to school business managers.</p>	<p>Awareness exercise.</p> <p>↔</p>
Pro-active counter fraud work plan	<p>Recruitment (Temporary staff)</p> <p>The Matrix system allows managers to search for a specific name, and receive the CV just for that candidate thereby heightening the risk of nepotism or similar.</p>	<p>A substantive sample of transactions are analysed by CAFS on a quarterly basis to ensure temporary recruitment underwent a fair process. Checking includes a verification of references provided to ensure appropriate due diligence is completed.</p>	<p>Matrix system remains unchanged.</p> <p>No change</p> <p>↔</p>

Fraud Awareness	City West Homes (CWH) – Housing Management	<p>Fraud awareness presentation given to CWH senior housing management staff covering the following topics;</p> <ul style="list-style-type: none"> • Roles and responsibility of the Corporate Anti-Fraud Service • Explanation of what fraud is, including an overview of the Prevention of Social Housing Fraud Act 2013. • Anti-fraud strategies including prevention, detection, investigation and redress. • Provisions for fraud reporting • Case studies 	<p>Awareness exercise.</p> <p>↔</p>
Pro-active counter fraud work plan	Personal disabled parking bays	<p>Work was undertaken to detect possible fraud in respect of personal disabled bays in Westminster. These bays are created specifically for the sole use of a Westminster resident whose disability is considered so severe that they require their own space close to their home.</p> <p>Currently there are 142 bays, and records relating to these bays were matched against other Council data. This work identified seven bays that were no longer required at the location because the recipient was no longer resident. These bays have now been returned to general usage.</p>	<p>Preventative exercise.</p> <p>↔</p>

<p>Pro-active counter fraud work plan</p>	<p>Data Analytics</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"> • credibility • risk-based analysis • coverage, and • an increased chance of finding fraud. 	<p>On a quarterly basis, CAFS analyse all Council payments and all Procurement Card transactions using Benford's Law which spots anomalies in a frequency distribution.</p> <p>The payment frequencies and amounts showed no significant peaks or troughs which might signify potential fraud or require closer inspection or sampling.</p>	<p>The analytics provide assurance but insufficient data to amend risk scores which remain unchanged.</p> <p>No change</p> <p>↔</p>
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NOTEWORTHY INVESTIGATIONS

	Case Description
1.	<p>INSIDER FRAUD – CAFS received an allegation from CityWest Homes (CWH) that a former employee may have stolen company data when leaving the organisation, and that he may have used this information to assist with the setting up of his own company. There was no information or evidence to suggest that any data was being misused for criminal intent, but concerns were that the information was being used for commercial gain.</p> <p>Forensic analysis of the suspect's computers was procured by CAFS which provided some corroborative evidence that large amounts of data had been collated but no evidence to show it had been extracted or stolen.</p> <p>The ex-employee was interviewed under caution, but no criminal action taken.</p>
2.	<p>PERSONAL BUDGET FRAUD – CAFS received an allegation from Adult Social Care that Personal Budget funds have been misused, following a review of monitoring data which suggested that goods and services had been purchased outside the care plan.</p> <p>With reasonable grounds to suspect a criminal offence may have been committed, a third party nominee, the service user's son, attended an interview under caution and admitted responsibility for managing the payments. He did not admit who had actually carried out the transactions as he said he did not want to incriminate his family, although the evidence suggested that he may have benefited from the misuse of the funds. However, there was insufficient evidence to attribute the transactions to an individual.</p> <p>A debt was raised for just over £2,000, which is being repaid, and a recommendation made for Adult Social Care to commission care directly.</p>

3.	<p>TENANCY/RTB FRAUD - The tenant of a property at Scott Ellis Gardens submitted a Right to Buy application in June 2016. As is standard practice for such applications, it was referred to CAFS in order to undertake some checks to ensure the tenant was eligible for the right to buy. Part of these checks involved un-notified visits which found the property to be occupied by someone else.</p> <p>An investigation established that the tenant was subletting the property for £1,175 per calendar month while she was living in Swansea. She appeared to have been living there since at least October 2014 having sublet the Westminster property to other individuals over that period of time. Evidence amassed included advertising on the free classifieds ads website, Gumtree.</p> <p>The tenant was successfully prosecuted after a two-day trial at Southwark Crown Court, and found guilty of four charges in respect of the Fraud Act 2006, with two counts of fraud by false representation and two counts of fraud by failing to disclose information.</p> <p>On each of the two counts of fraud by false representation, the tenant was sentenced to 18 months' imprisonment suspended for two years. On each of the two counts of fraud by failing to disclose information, she was sentenced to 12 months' imprisonment suspended for two years. She was additionally ordered to complete 180 hours of unpaid work and to comply with 10 days of a Rehabilitation Activity Requirement.</p> <p>Using Proceeds of Crime legislation, CAFS are now seeking to confiscate the £23,780 which the tenant received as rent from the subtenants. The property has since been let to someone in greater need of a home.</p>
4.	<p>TENANCY FRAUD - A referral from CityWest Homes suggested that the tenants of a three-bedroom flat in Dalton House, Ebury Bridge Road, SW1, were no longer resident following several unsuccessful visits by housing officers.</p> <p>CAFS investigation revealed that the tenants had been living in Saudi Arabia since 2013 with only a few occasional trips back to the UK. Even their five children were being educated there and registered in Arabian schools.</p> <p>Supported by the evidence amassed by CAFS a notice seeking possession was issued and the property returned to CityWest Homes following a brief court hearing.</p>

5.	<p>TENANCY FRAUD - CAFS received a referral from Octavia Housing asking them to investigate potential non-residency at a Siddens Lane, NW1 address. The building's caretaker hadn't seen the tenant for some time.</p> <p>Background checks establish the tenant spent most of their time in Denmark and had little connection with the City Council property. In fact, evidence showed the tenant had spent 961 days out of the UK in the last four years.</p> <p>The tenant was invited to attend an interview where he initially denied that he had abandoned his property saying that he had family commitments in Denmark, but that the Siddens Lane flat was his home. However, when confronted with the evidence he agreed to relinquish the tenancy forthwith and returned the keys to a vacant possession in May 2018.</p> <p>Octavia Housing gave the nomination rights of this one-bedroom flat to the City Council for them to support someone in genuine need of housing.</p>
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Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 14 th November 2018
Classification:	For General Release
Title:	Counter fraud policy review
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	David Hodgkinson, Deputy Section 151 Officer
Report author:	Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 3795

The Audit and Performance Committee's Terms of Reference require that the Committee is responsible for the effective scrutiny of anti-fraud arrangements and activities including the review and approve anti-fraud and corruption policies.

FOR APPROVAL

1. EXECUTIVE SUMMARY

1.1 The Audit and Performance Committee is responsible for the effective scrutiny of anti-fraud arrangements and activities, the Audit Pensions and Standards Committee:

- review and approve anti-fraud policies
- is responsible for gaining assurance that policies are kept up to date and are fit for purpose.

1.2 This paper contains four revised anti-fraud policies, reported in *Appendix 1*, for review and approval. They are:

- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Fraud Response Plan
- Whistleblowing Policy

2. RECOMMENDATIONS

- 2.1 Note and approve the revised anti-fraud and corruption policies.

3. REASONS FOR DECISIONS

- 3.1 To inform the Committee of policy revisions and to provide assurance that policies are kept up to date and are fit for purpose.

4. ANTI-FRAUD POLICIES

- 4.1 Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended.
- 4.2 Staff are often the first to spot possible cases of wrongdoing at an early stage and are therefore encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be properly investigated.
- 4.3 It is therefore vitally important that anti-fraud policies are kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, giving guidance for decision-making, and streamlining internal processes.
- 4.4 The table below details the key anti-fraud and corruption policies, their dates of revision and date of their next review.

Policy	Last review	Next review
Whistleblowing Policy	August 2017	Due – appended to this report
Anti-Bribery Policy	August 2017	Due – appended to this report
Anti-Money Laundering Policy & Procedures	October 2017	Due – appended to this report
Fraud Response Plan	August 2017	Due – appended to this report
Fraud Risks: A Guide for Managers	February 2018	February 2019
Anti-Fraud & Corruption Strategy	August 2016	August 2019

David Hughes
Director of Internal Audit, Risk, Fraud & Insurance

Local Government Access to Information Act – background papers used:
Case Management Information

Officer Contact:

Andy Hyatt

Tri-borough Head of Fraud

Telephone 0207 361 2777

E-mail: andrew.hyatt@rbkc.gov.uk

WESTMINSTER CITY COUNCIL

ANTI-BRIBERY POLICY



City of Westminster

Date of Issue	Date of last issue	Review Date
November 2018	August 2017	October 2019

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1. [Introduction: Policy statement](#)
2. [Objective](#)
3. [The Bribery Act 2010](#)
4. [Responsibilities](#)
5. [Declarations of interest](#)
6. [Gifts and hospitality](#)
7. [Red flags: warning signs of bribery](#)
8. [Reporting your concerns](#)

1. Introduction: Policy statement

- 1.1 Bribery is an inducement or reward offered, promised or provided to gain a personal, commercial, regulatory or contractual advantage. Bribery is a criminal offence and punishable for individuals by up to ten years' imprisonment.
- 1.2 It is the Council's policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our activities.
- 1.3 We are committed to the prevention, deterrence and detection of bribery. We aim to maintain anti-bribery compliance "business as usual", rather than as a one-off exercise.
- 1.4 Those employed by or acting as agent for the Council and its schools will not pay bribes nor offer improper inducements to anyone for any purpose. Nor will those individuals accept bribes or improper inducements.
- 1.5 To use a third party as a conduit to channel bribes to others is a criminal offence. The Council does not, and will not allow its staff or Members engage indirectly in or otherwise encourage bribery.

2. Objective

- 2.1 The purpose of this policy is to:
 - (a) Set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and

corruption; and

- (b) Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

3. Bribery Act 2010

3.1 There are four key offences under The Bribery Act 2010 :

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

3.2 In many instances of bribery or corruption, Fraud Act 2006 offences are also relevant, for example, fraud by abuse of position or fraud by failing to disclose.

4. Responsibilities

4.1 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation. All staff are required to avoid activity that breaches this policy.

4.2 All staff must:

- Ensure that you read, understand and comply with this policy,
- Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

4.3 It is unacceptable for staff to:

- Accept payment, a gift or hospitality from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be

received, or to a government official, agent or representative to "facilitate" or expedite a routine procedure.

5 Declarations of interest

- 5.1 All employees need to declare whether they have any personal interests that may conflict with the interests of the Council. Outside activities, additional employment or voluntary work can all create the potential for the interests of the employee to come into conflict with those of the Council.
- 5.2 All employees need to read the Council's advice regarding declarations of interest and decide whether they have any conflicting personal interests and to agree to inform the Council if these circumstances change.
- 5.3 Because declarations of interest are fundamental to the effective operation and reputation of the Council, failing to declare an interest will always be dealt with by the Council as a disciplinary matter and is likely to be deemed gross misconduct which may result in your dismissal.

6 Gifts and hospitality

- 6.1 The acceptance of gifts and hospitality, even on a modest scale, may arouse suspicion and must be capable of public justification.
- 6.2 Employees are required by the Officers' Code of Conduct to record gifts or hospitality offered to them (whether accepted or not) and hospitality provided to others outside the Council. This should preferably be recorded as it happens, rather than at the end of a fixed period. In any case, it must be recorded within one month of the event (or the date of an offer of hospitality, if refused). Regular nil returns are not required.
- 6.3 Because the Council is a public body it is essential that all such items are recorded in an easily accessible and efficient way. To this end, an online gifts and hospitality register has been created – to access the register and for more information follow this [link](#).

7 Red flags: warning signs of bribery

7.1 The risk of Bribery will vary across the Council depending upon the functions. It is, therefore, important that staff are aware of the warning signs.

- A member of staff receives and accepts excessive hospitality, or has a personal interest. Is this declared?
- A member of staff constantly ignores the procurement process
- Continued use of a particular supplier/contractor despite reports of poor performance, and the same supplier or contractor seems to be winning all the work
- Officers asking for invoices to be approved that do not have sufficient detail, or where there are concerns that the work/supply has never been undertaken or received.
- A member of staff has a meeting with a supplier or contractor and they insist on going alone, there is also a lack of minute taking. There is the risk that a corrupt relationship could develop.
- Any third party information that suggests a supplier or contractor engages in, or has been accused of engaging in, improper business practices. Especially a reputation for paying bribes.

8 Reporting your concerns

8.1 If in the course of your duties someone attempts to influence the outcome of a project, procurement or decision, you must politely refuse and immediately;

- Report the matter to your line manager, their manager or the Head of Service. If for any reason this is not possible you should speak to those named below.
- You should make a note of who attempted to influence you and what was offered, who they work for, their contact details and the date and time of the incident. Also you should note any witnesses, if any.

- Members should report the incident immediately to the Leader of the Council.
- 8.2 If an incident of bribery, corruption, or wrongdoing is reported, the Council will act as soon as possible to evaluate the situation. The Council has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.
- 8.3 Employees can also raise their concerns in accordance with the Council's Whistleblowing Policy.
- 8.4 If you have any questions about these procedures, please contact:
- Director of Audit, Fraud, Risk and Insurance: David Hughes, 07817 507695
 - Head of Fraud, Andrew Hyatt, 07739 313817
 - Fraud Hotline 020 7361 2777

WESTMINSTER CITY COUNCIL

ANTI-MONEY LAUNDERING POLICY AND PROCEDURE



City of Westminster

Date of Issue	Date of last issue	Review Date
November 2018	August 2017	October 2019

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1. Introduction

- 1.1 The Council will take measures to prevent the organisation, its Members and officers being exposed to money laundering, to identify areas where money laundering may occur and to comply with legal and regulatory requirements.
- 1.2 The Proceeds of Crime Act 2002, the Terrorism Act 2000 and Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering and the prevention of terrorist financing. The Council must also appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity.
- 1.3 It is the responsibility of staff and Members to be vigilant and act promptly where money laundering is suspected. Failure to comply with this Policy, and accompanying procedures, may lead to disciplinary action being taken against them. Failure by a Member to comply with the procedures may be referred to the Monitoring Officer.

2. What is Money Laundering?

2.1 Money laundering is a process of converting cash or property derived from criminal activities to give it a legitimate appearance. It is a process of channelling 'bad' money into 'good' money in order to hide the fact that the money originated from criminal activity, and often involves three steps:

- **Placement** - cash is introduced into the financial system by some means. For example, depositing the cash into bank accounts, exchanging currency or simply changing small notes for large notes (or vice versa).
- **Layering** - a financial transaction to camouflage the illegal source; transfers between accounts including offshore, offering loans, investments and complex financial transactions.
- **Integration** - acquisition of financial wealth from the transaction of the illicit funds. For example, buying residential and commercial property, businesses and luxury goods.

3. What is Terrorism Financing?

3.1 Terrorism financing is the act of providing financial support, funded from either legitimate or illegitimate source, to terrorists or terrorist organisations to enable them to carry out terrorist acts or will benefit any terrorist or terrorist organisation.

3.2 While most of the funds originate from criminal activities, they may also be derived from legitimate sources, for example, through salaries, revenues generated from legitimate business or the use of non-profit organisations to raise funds through donations.

4. What are the main offences?

4.1 There are three main offences:

- **Concealing:** knowing or suspecting a case of money laundering, but concealing or disguising its existence.
- **Arranging:** becoming involved in an arrangement to launder money, or assisting in money laundering.

- **Acquisition, use or possession:** benefiting from money laundering by acquiring, using or possessing the property concerned.

4.2 None of these offences are committed if:

- the persons involved did not know or suspect that they were dealing with the proceeds of crime; or
- a report of the suspicious activity is made promptly to the Money Laundering Reporting Officer (MLRO).

5. What are the obligations on the Council?

5.1 The main requirements of the legislation are:

- To appoint a money laundering reporting officer (Nominated Officer)
- Implement a procedure to receive and manage the concerns of staff about money laundering and their suspicion of it, and to submit reports where necessary, to the National Crime Agency (NCA)
- To make those staff most likely to be exposed to or suspicious of money laundering situations aware of the requirements and obligations placed on the organisation, and on them as individuals
- To give targeted training to those considered to be the most likely to encounter money laundering;

5.2 Providing the Council does not undertake activities regulated under the Financial Services and Markets Act 2000, the offences of failure to disclose and tipping off do not apply. However, the Council and its employees and Members remain subject to the remainder of the offences and the full provisions of the Terrorism Act 2000.

5.3 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

6. Nominated Officers

- 6.1 The regulations require the Council to appoint a Nominated Officer, sometimes known as Money Laundering Reporting Officer (“MLRO”).
- 6.2 The MLRO and their appointed Deputy MLRO are responsible for receiving internal suspicious transaction reports (also known as disclosures), deciding whether these should be reported to the National Crime Agency (NCA), and making the report when required.
- 6.3 The Nominated Officers within the Council are;
 - **MLRO: Section 151 officer**
 - **Deputy MLRO: Andy Hyatt**, Shared Services Head of Fraud (Andrew.hyatt@rbkc.gov.uk) 07739 313817

7. High value cash transactions

- 7.1 Those receiving or arranging to receive cash on behalf of the Council must ensure they are familiar with the Council’s Anti-Money Laundering Policy.
- 7.2 The first stage of money laundering, placement, is where vigilance can often detect and prevent it happening, because large amounts of cash are pretty conspicuous.
- 7.3 No Payment to the Council should be accepted in cash if it exceeds **£10,000**.

8. What should I do if I suspect money laundering?

- 8.1 Staff who know or suspect that they may have encountered criminal activity and that they may be at risk of contravening the money laundering legislation, they must report this as soon as practicable to the Money Laundering Responsible Officer (MLRO) or Deputy MLRO to advise of their concerns.
- 8.2 The disclosure should be at the earliest opportunity of the information coming to your attention, not weeks or months later.

- Refer to the Council's Anti-Money Laundering Procedures
- Do not tell the customer about your suspicions.
- Report your suspicions immediately to the Council's MLRO or Deputy MLRO (details above).
- Keep all records relating to the transaction(s). If you are unsure about what records or information to keep, please ask the MLRO.

8.2 More information about making a report to the MLRO is detailed at **appendix 1** and a flow chart illustrating the procedure for reporting money laundering is at **appendix 2**.

9. Suspicious Activity Report (SAR)

- 9.1 Once a suspicious transaction or activity is referred to the Nominated Officer it is their responsibility to decide whether they need to send a report or 'disclosure' about the incident to the NCA. They do this by making a Suspicious Activity Report (SAR).
- 9.2 The nominated officer must normally suspend the transaction if they suspect money laundering or terrorist financing. If it's not practical - or not safe - to suspend the transaction, they should make the report as soon as possible after the transaction is completed.
- 9.3 The NCA receives and analyses SARs and uses them to identify the proceeds of crime. It counters money laundering and terrorism by passing on important information to law enforcement agencies so they can take action.

10. Policy and procedure

- 10.1 The Money Laundering legislation is complex. This policy has been written as a safeguard and to enable the Council to meet its legal obligations. It will be reviewed annually.

APPENDIX 1: Making a report to the MLRO

If you suspect that money laundering activity is taking place (or has taken place), or think that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as possible to the MLRO or the Deputy MLRO. Considerations of confidentiality do not apply if money laundering is at issue.

In the first instance, the report may be made informally to allow the MLRO to assess the information and decide whether a Suspicious Activity Report (SAR) should be made to the National Crime Agency (NCA).

You should provide as much detail as possible, for example:

- Details of the people involved – name, date of birth, address, company names, directorships, phone numbers etc;
- Full details of the nature of the involvement;
- A description of the activities that took place;
- Likely amounts of money or assets involved;
- Why you are suspicious.

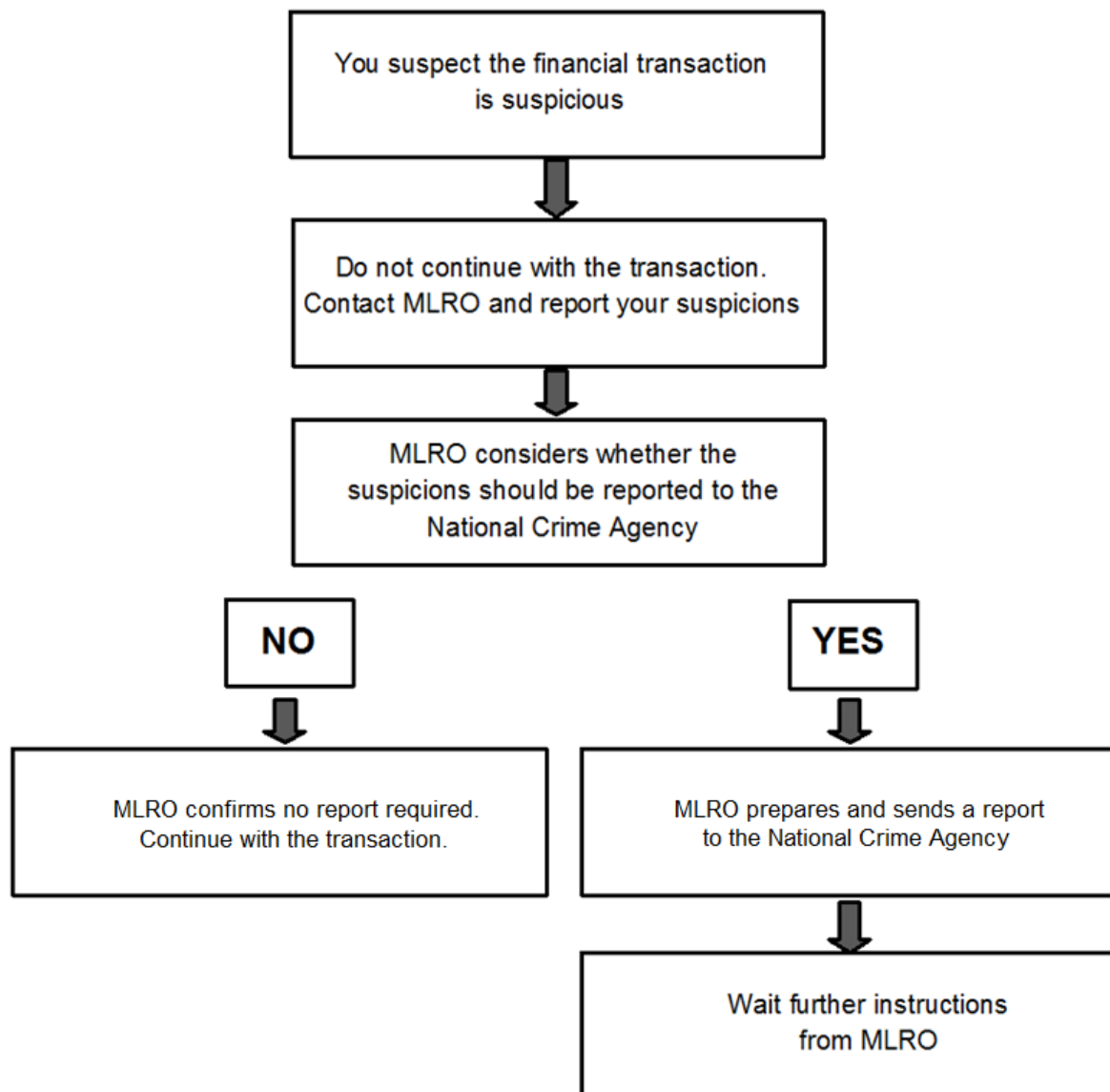
This will assist the MLRO to make a judgement as to whether there are reasonable grounds for assuming knowledge or suspicion of money laundering. The MLRO may initiate an investigation to enable him to decide whether a report should be made to the NCA.

In cases where legal professional privilege may apply, the MLRO must decide (taking legal advice if required) whether there is a reasonable excuse for not reporting the matter.

Once the matter has been reported to the MLRO, you must follow any directions they may give you. ***You must not make any further enquiries into the matter yourself.*** Any investigations will be undertaken by the NCA. You should not make any reference on a client file to a report having been made to the MLRO – the client might exercise their right to see the file, and such a note would tip them off to a report having been made, and might make you liable to prosecution.

If the NCA has any queries on the report, responses to those queries should be routed via the MLRO to ensure that any reply is covered by appropriate protection against claims for breaches of confidentiality.

APPENDIX 2: The procedure for reporting (flow chart)



WESTMINSTER CITY COUNCIL

FRAUD RESPONSE PLAN



City of Westminster

Date of Issue	Date of last issue	Review Date
November 2018	August 2017	October 2019

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[Appendix 1: The procedure for reviewing allegations \(flow chart\)](#)

1. Introduction

- 1.1 The Council is committed to sound corporate governance and to protecting the public funds with which it has been entrusted. In discharging its responsibilities, the Council wish to discourage fraud and corruption, whether this is attempted by internal or external sources.
- 1.2 Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended.
- 1.3 The Fraud Response Plan provides guidance on the action to be taken when a fraud is suspected or discovered and enables the Council to:
 - Minimise and recover losses
 - Establish and secure evidence necessary for criminal and disciplinary action
 - Take disciplinary action against those involved
 - Review the reasons for the incident and ensure that actions are implemented to strengthen procedures, controls and prevent recurrence.

- 1.4 Any suspicion of fraud will be treated seriously and will be investigated in accordance with the Council's procedures and the relevant legislation.

2. Responsibilities

ALL EMPLOYEES

- 2.1 Individual members of staff, including agency staff, are responsible for:
- Acting with propriety in the use of resources and in the handling and use of public funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.
 - Reporting immediately to their line manager or those named in this policy, if they suspect that a fraud has been committed or see any suspicious acts or events.

MANAGERS

- 2.2 In addition to those individual responsibilities, managers are responsible for:
- Identifying the risks to which systems and procedures are exposed.
 - Developing and maintaining effective controls to prevent and detect fraud.
 - Ensuring that controls are complied with.

3. Reporting a suspected fraud

ACTION BY EMPLOYEES

- 3.1 Staff are encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be properly investigated.

- 3.2 Staff are often the first to spot possible cases of wrongdoing at an early stage. Staff should not try to carry out an investigation themselves. This may damage any subsequent enquiry.
- 3.3 In the first instance, any suspicion of fraud, theft or other irregularity should be reported, as a matter of urgency, to your line manager. If such action would be inappropriate, your concerns should be reported upwards to one of the following persons:
- Director of Audit, Fraud, Risk and Insurance
 - Head of Fraud
- 3.4 Staff may choose to report concerns anonymously or request anonymity. While total anonymity cannot be guaranteed, every endeavour will be made not to reveal the names of those who pass on information.

ACTION BY MANAGERS

- 3.5 If you have reason to suspect fraud or corruption in your work area, or received information that might suggest wrongdoing, you should do the following:
- Listen to the concerns of staff and treat every report seriously and sensitively.
 - Obtain as much information as possible from the member of staff including any notes or evidence to support the allegation. Do not interfere with this evidence and ensure it is kept secure.
 - **Do not** attempt to investigate the matter yourself or covertly obtain any further evidence as this may adversely affect any criminal enquiry.
 - Report the matter immediately to the Director of Audit, Fraud, Risk and Insurance or Head of Fraud.

REVIEWING ALLEGATIONS

- 3.6 Once reported the referral should be addressed by the Corporate Anti-Fraud Service and HR function to review any allegation, establish the facts of the statements made, and to recommend an investigation strategy (see flowchart at appendix 1).

MALICIOUS ALLEGATIONS

- 3.7 If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the person raising the concern. If, however, the allegations are malicious or vexatious, the action may be taken against the person making the allegation.

4. Investigation process

- 4.1 The Corporate Anti-Fraud Service is responsible for initiating and overseeing all fraud investigations and have a dedicated team of trained investigators who will lead the enquiries.
- 4.2 In accordance with Section 67(9) of Police and Criminal Evidence Act, officers of the Corporate Anti-Fraud Service are referred to as, "charged with the duty of investigating offences or charging offenders".
- 4.3 Investigations will be undertaken with consideration for the relevant legislation, regulations and codes. In certain circumstances, investigation work may be carried out by Departmental Management following agreement and liaison with Corporate Anti-Fraud Service and Human Resources.
- 4.4 Investigation results will not be reported or discussed with anyone other than those who have a legitimate need to know. Where appropriate the person raising the concern will be kept informed of the investigation and its outcome.
- 4.5 Interim reports detailing progress and findings may be produced throughout the investigation to assist decision making.
- 4.6 On completion of the investigation, the investigating officer, will prepare a full written report setting out the background, findings of the investigation, and recommendations to reduce further exposure if fraud is proven.
- 4.7 A brief and anonymised summary of the circumstances may be published in the half-yearly Corporate Anti-Fraud Report to the Audit and Pension Scrutiny Committee.

5. Disciplinary/Legal action

5.1 Where evidence of fraud is discovered, and those responsible can be identified:

- Appropriate disciplinary action will be taken in line with the disciplinary procedure.
- Where legal action is considered appropriate, full co-operation will be given to investigating and prosecuting authorities, including the police if appropriate.

6. Recovery of loss

6.1 Where the Council has suffered loss, restitution will be sought of any benefit or advantage obtained, and the recovery of costs will be sought from an individual(s) or organisations responsible for fraud.

6.2 The Corporate Anti-Fraud Service will utilise all relevant powers to recover fraud losses including the use of Financial Investigators working within the realms of the Proceeds of Crime Act.

6.3 Where an employee is a member of Council's Pension scheme and is convicted of fraud, the Council may be able to recover the loss from the capital value of the individual's accrued benefits in the Scheme, which are then reduced as advised by the actuary.

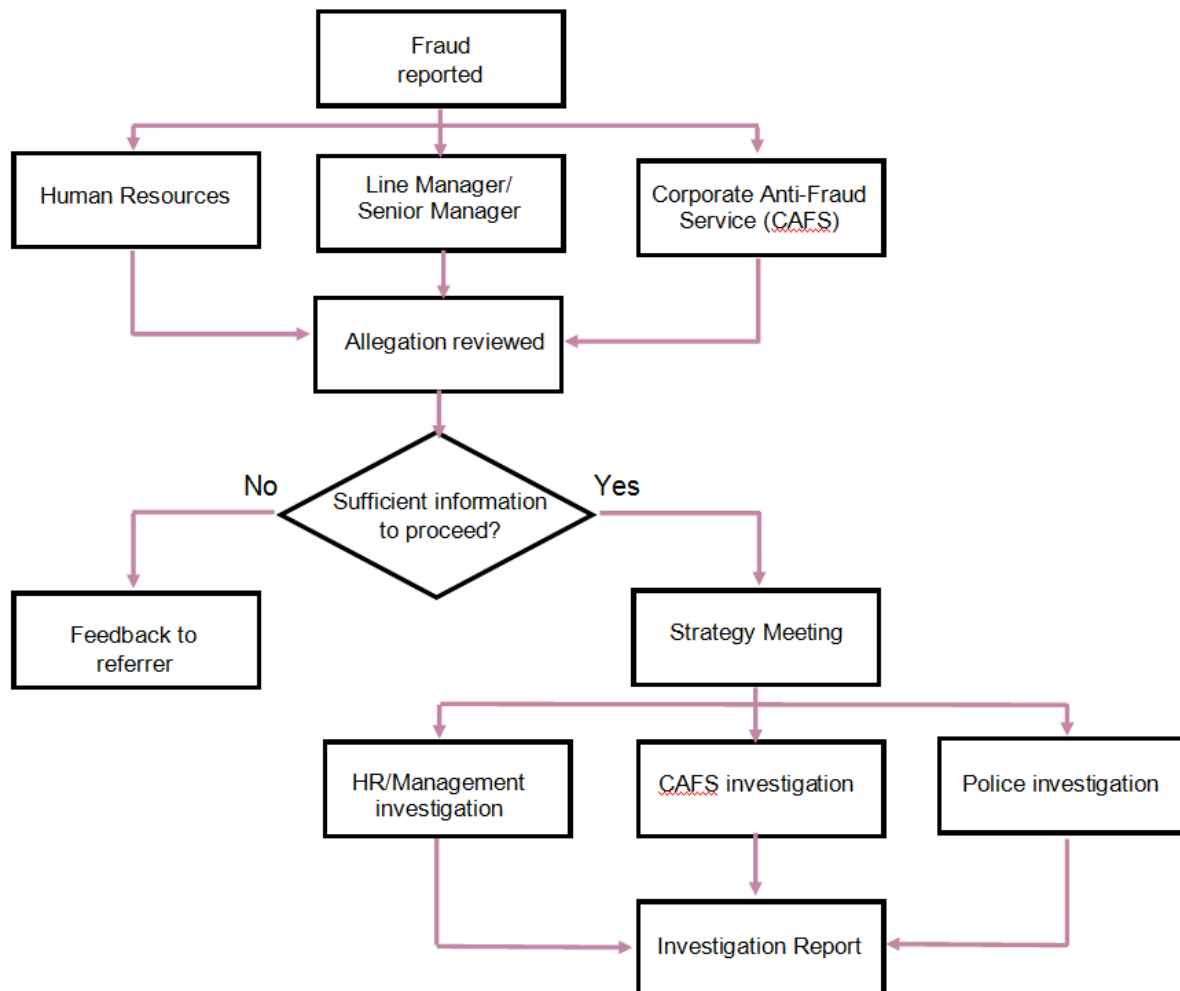
6.4 The Council may also consider taking civil action to recover the loss.

7. Internal contacts

7.1 Advice or guidance about how to pursue matters of concern regarding potential fraud or corruption may be obtained from any of the following contacts:

- Director of Audit, Fraud, Risk and Insurance: David Hughes, 07817 507695
- Head of Fraud, Andy Hyatt, 07739 313817
- Fraud Hotline 020 7361 2777

APPENDIX 1: The procedure for reviewing allegations (flow chart)



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WHISTLEBLOWING POLICY

Westminster City Council Royal Borough of Kensington and Chelsea



Date of Issue	Date of last issue	Review Date
October 2018	August 2017	September 2019

INDEX

1. What is whistleblowing?
2. Who can raise a whistleblowing concern?
3. What should be reported
4. How to raise a concern
5. What the Council will do
6. Protecting the whistleblower
7. More information

Appendix 1: Reviewing whistleblowing referrals (flowchart)

1. WHAT IS WHISTLEBLOWING?

- 1.1 'Whistleblowing' means the reporting by employees of suspected misconduct, illegal acts or failure to act within the Council.
- 1.2 Staff are encouraged and, indeed, expected to raise any concern that they may have, without fear of recrimination. Any concerns raised will be treated in the strictest confidence and will be properly investigated.
- 1.3 The aim of this Policy is to encourage employees and others who have serious concerns about any aspect of the Council's work to come forward and report their concerns at the earliest opportunity so that they can be properly investigated.
- 1.4 If you are considering raising a concern you should read this Policy first. It explains;
 - who can raise a concern under this policy,
 - what should be reported,
 - how to raise a concern,
 - what the Council will do, and
 - how the whistleblower will be supported

2. WHO CAN RAISE A CONCERN UNDER THIS POLICY?

- 2.1 The Policy applies to all:
 - employees of the Council

- employees of contractors working for the Council, for example, agency staff, builders and drivers
- those providing services under a contract or other agreement with the Council, and
- voluntary workers working with the Council

3. WHAT SHOULD BE REPORTED?

- 3.1 Any serious concerns that you have about service provision or the conduct of officers or members of the Council or others acting on behalf of the Council.
- 3.2 The concerns need to be made in the public interest. This means that personal grievances and complaints are not covered by whistleblowing law.

Qualifying disclosures

- 3.3 The types of concerns covered by the policy are called qualifying disclosures and they include;
- criminal offences (including fraud or misuse of public funds or other assets)
 - failure to comply with a legal obligation
 - miscarriages of justice
 - threats to people's health and safety
 - damage to the environment
 - covering up any of the above

Untrue allegations

- 3.4 If you make an allegation in good faith and reasonably believing it to be true, but it is not confirmed by the investigation, the Council will recognise your concern and you have nothing to fear.
- 3.5 However, if you make an allegation frivolously, maliciously or for personal gain, appropriate action will be taken that could include disciplinary action.

4. HOW TO RAISE A CONCERN?

4.1 You may raise your concern by telephone, in person or in writing. The earlier you express your concern, the easier it is to take action. You will need to provide as much detail as possible including:

- the nature of your concern and why you believe it to be true
- the background and history of the concern (giving relevant dates)

4.2 Although you are not expected to prove beyond doubt the truth of your suspicion, you will need to demonstrate you have a genuine concern relating to suspected wrongdoing or malpractice within the Council and there are reasonable grounds for your concern.

Who should you raise your concern with?

4.3 In the first instance, you should normally raise concerns with, as a matter of urgency, your line manager. If such action would be inappropriate, your concerns should be reported upwards to one of the following persons:

- Director of Audit, Fraud, Risk Management and Insurance
- Director of People Services
- Director of Human Resources
- Head of Fraud

Confidentiality

4.4 All concerns will be treated in confidence and every effort will be made not to reveal your identity. If disciplinary or other proceedings follow the investigation, it may not be possible to take action as a result of your disclosure without your help, so you may be asked to come forward as a witness.

Anonymous Allegations

4.5 This Policy encourages you to put your name to your allegation whenever possible. If you do not tell us who you are it will be much more difficult for us to protect your position or to give you feedback. This policy is not ideally suited to concerns raised anonymously.

4.6 Concerns expressed anonymously are much less powerful but they may be considered at the discretion of the Council. In exercising discretion, the factors to be taken into account include:

- the seriousness of the issue raised
- the credibility of the concern, and
- the likelihood of confirming the allegation from other sources

5. WHAT THE COUNCIL WILL DO

5.1 The Council will respond to your concerns as quickly as possible. Do not forget that testing your concerns is not the same as either accepting or rejecting them.

5.2 The overriding principle for the Council will be the public interest. In order to be fair to all employees, including those who may be wrongly or mistakenly accused, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. See whistleblowing flowchart at Appendix 1.

5.3 The investigation may need to be carried out under terms of strict confidentiality, i.e. by not informing the subject of the complaint until (or if) it becomes necessary to do so.

5.4 Where appropriate, the matters raised may:

- be investigated by management, internal audit/corporate anti-fraud service, or through the disciplinary/grievance process
- be referred to the police (including safeguarding if appropriate)

5.5 It is likely that you will be interviewed to ensure that your disclosure is fully understood. Any meeting can be arranged away from your workplace.

6. PROTECTING THE WHISTLEBLOWER

6.1 Throughout this process:

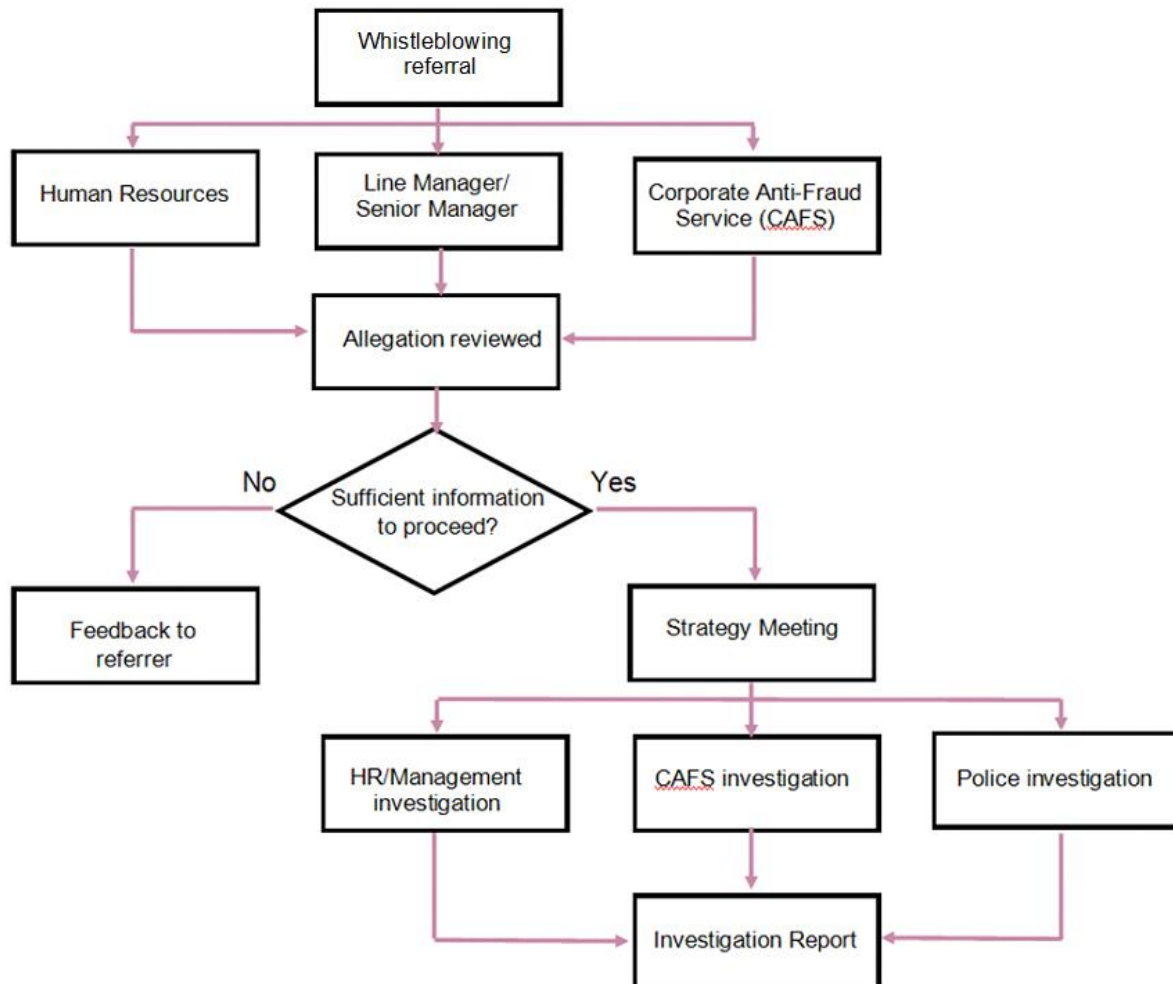
- you will be given full support from senior management
- your concerns will be taken seriously, and

- the Council will do all it can to help you throughout the investigation
- 6.2 The Public Interest Disclosure Act 1998 which protects workers making disclosures about certain matters of concern, when those disclosures are made in accordance with the Act's provisions and in the public interest.
- 6.3 To be protected, you need to make a qualifying disclosure in accordance with the policy. You need to reasonably believe that the disclosure is being made in the public interest and that malpractice in the workplace is happening, has happened or will happen.

7. MORE INFORMATION

- 7.1 For more information regarding whistleblowing, please contact:
- Director of Audit, Fraud, Risk and Insurance: David Hughes, 07817 507695
 - Head of Fraud, Andy Hyatt, 07739 313817
 - Fraud Hotline 020 8753 1273

APPENDIX 1: Reviewing whistleblowing referrals (flowchart)



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City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 14th November 2018
Classification:	For General Release
Title:	Update of Bi-Borough arrangements in Children's Services, Adult Social Care and Public Health
Wards Affected:	All
Financial Summary:	The financial summary will be fully set out in the report to Cabinet
Report of:	Melissa Caslake, Executive Director Bi-Borough Children's Services mcaslake@westminster.gov.uk Tel: 0207 641 2253 Bernie Flaherty Executive Director Bi-Borough Adults Services and Public Health bflaherty@westminster.gov.uk Tel: 0207 641 3959
Report author:	John O'Sullivan Head of Business Intelligence and Strategy, Children's Services John.OSullivan@rbkc.gov.uk Tel: 0207 361 3787

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. This follows the decision made by Cabinet in March 2017 to serve notice on London Borough of Hammersmith and Fulham to disaggregate the Tri-Borough s113 agreements currently in place to deliver these services.
- 1.2 The first phase of implementation took place in April 2018, this saw the creation of an overall structure for Bi-Borough Children's Services, Adults and Public Health services. Phase 2 was implemented in October 2018 and focused on changes in Adults Services to the Senior Management Team, Finance and IT. This leaves a small number of services within Children's which are still shared across the three local authorities.

- 1.3 A summary of the key changes relating to new Bi-Borough arrangements is outlined in the body of this report. 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. Staff consultation on key changes was an important part of this approach, with extensive engagement with all staff affected by the changes and proposals developed from feedback received from staff.
- 1.4 Smooth transition has taken place for services that went live on the 1st April and plans are in place to mitigate any risks associated with disaggregation in Adults that took effect from October 2018. Front line service delivery has not been impacted as a consequence of the disaggregation of services. Ofsted's focused visit inspection of the council's arrangements for children who need help and protection in the summer reflected continuity in the provision of high quality services found previously to be 'outstanding' in 2016.

2. Recommendations

- 2.1 That the Audit and Performance Committee:

Notes the progress in implementation and transition to new Bi-Borough structure in Adult Social Care, Children's Services and Public Health since the last update in November 2017.

3. Reasons for Decision

- 3.1 In March 2017, Cabinet endorsed a recommendation to serve notice on London Borough of Hammersmith and Fulham (LBHF) to disaggregate the s113 agreements that have been in place since 2012 to share Children's Services, Adult Social Care and Public Health.
- 3.2 Since that time, officers have developed and implemented structures which maintain the principles of the original Tri-Borough proposition of collaborative working and delivering efficiencies through scale whilst retaining sovereignty on a Bi-Borough basis. These were implemented and took effect from April (phase 1) and October 2018 (Phase 2).

4. Background

- 4.1 The Tri-Borough 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 (estimated gross average of £14m in annual ongoing savings for each council across the shared services) as well as non-cashable efficiencies and improvements to the quality of services.

- 4.2 Since serving notice on LBHF, proposals were developed and implemented to deliver services on a Bi-Borough basis. This enabled some economies of scale (less than under Tri-Borough but more than would be achieved as single boroughs) as well as continuing to innovate and transform collaboratively to improve efficiency and the service quality.

5. Services update

- 5.1 The following paragraphs outline the key structural changes that have taken place and how transition to new arrangement is working.

Children's Services

- 5.2 The new directorate is now made up of 5 service areas: WCC Family Services, RBKC Family Services, Education, Safeguarding Review and Quality Assurance (SRQA); and Operations and Programmes. Integrated Commissioning falls within Adults with a dotted line into Children's Services. As part of the new arrangements Children's Finance and Children's ICT moved into other directorates which provide corporate services, with Finance hosting by Westminster City Treasurers. WCC Family services had previously been sovereign delivered, the other service areas moved from sharing across three authorities to new Bi-Borough arrangements.

Education

- 5.3 The Education service area is responsible for raising standards, supporting children and young people with special educational needs and disabilities and ensuring there are sufficient school places across Westminster and Kensington and Chelsea. This structure was reconfigured into a Bi-Borough Service which now covers: - School Standards; Special Education Needs and Educational Psychology service; School Place Planning & Access to Education; and Short breaks and Resources.

WCC Family Services

- 5.4 The service had limited changes. The Access and Assessment team (including the Multiagency Safeguarding Hub - MASH) kept its existing structure, this was also true for Early Help Services and Social Work with families' team. The shared Tri-Borough Assistant Director for Looked After Children and Leaving Care Services post was removed with service responsibility for these services returning to the individual boroughs and a Westminster Head of Specialist services created. This post also managed the Disabled Children's Team (DCT) function which moved back from the SEN service.

Safeguarding Review and Quality Assurance

- 5.5 The Safeguarding Review and Quality Assurance Service provides guidance, consultation, support and scrutiny on the welfare of children and keeping children safe. The service was reconfigured to be provided on a Bi Borough basis. Co-ordination of the work of the Local Safeguarding Children Board which has oversight of the safeguarding work by all agencies across

Westminster, Kensington and Chelsea and Hammersmith and Fulham also sits within this service.

Operations and Programmes

- 5.6 As part of new configured Bi-Borough service, a new Operations and Programme service area was created. This took functions from both the previous Commissioning and Finance and Resources service areas. This covers: - Transformation and Innovation; Business Intelligence and Strategy; and Placement Delivery and Customer Relationships.

Implementation

- 5.7 Implementation of the new structure was completed on 1st April 2018 and arrangements are now embedded with all key management posts recruited to. Where staff have moved from Tri-Borough to Bi-Borough roles, they seem well embedded into new structures. Risks were managed through a transition period and by regular reviews within the Senior Leadership team. There are no remaining risks from transition, any new risks are managed through business as usual processes. Appendix 1 provides the year end (17-18) key performance indicators for Children's Services.
- 5.8 Front line service delivery has not been impacted as a consequence of the disaggregation of services. Ofsted's focused visit inspection of the council's arrangements for children who need help and protection in the summer reflected continuity in the provision of high quality services found previously to be 'outstanding' in 2016
- 5.9 As described a small number of services will remain Tri-Borough and this has been agreed with the Cabinet/Leadership Team in 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 be disproportionately inefficient and affect their viability. These will be reviewed annually to determine if this is the most effective delivery mechanism.

Adult Social Care

- 5.10 As with children's services, as a result of both Phase 1 and Phase 2, a small number of services still remain Tri-Borough i.e. Community Independence Service and Hospital Team and this has been agreed with the Cabinet/Leadership Team in each of the three boroughs.
- 5.11 The Bi-Borough Executive Director of Adult Social Care and Health oversees continuing partnership working and the service transformation that is needed to deliver in a very challenging financial and market context. Prevention, Personalisation, Quality Assurance, Integration, Safeguarding, Market Shaping and Development will continue to be the top priorities.
- 5.12 The department now consists of the following Senior Management Team, Director of Integrated Care, Director of Integrated Commissioning, Director of Public Health, Director of Health Partnerships, and Head of Operations.

- 5.13 Core priorities of the Senior Management Team will be the successful integration of services and resource management across health and social care sectors, and working to maximise the contribution that housing, the local voluntary community, provider and business sectors can make to deliver good outcomes for residents. They will be supported by the Bi-Borough structure and strong corporate and sub-regional working.

Integrated Commissioning

- 5.14 An Integrated Commissioning function has brought together commissioners from Adult Social Care, Children's and Public Health. The key functions of the Directorate will be to deliver against an ambitious change agenda to enhance tangible service outcomes and maximise value for money across Children's, Adult's, and Public Health services. Drawing on innovation and best practice Commissioners undertake a range of complex service improvement, transformation, and commercial activity.
- 5.15 A Bi-Borough Quality Assurance Team has been created, reporting to the Bi-Borough Director of Integrated Commissioning. The key functions of the Quality Assurance Team will be to deliver against an ambitious programme of work with Adult Social Care to carry out one of its key priorities utilising a range of centrally collated information and intelligence. Drawing on innovation and best practice and ensuring Service Users are at the heart of delivery. This team will be responsible for developing and supporting the LA. (Local Account).
- 5.16 The placements brokerage team will remain within the Integrated Commissioning Directorate, but will become a Bi-Borough Service. The service is also looking to build partnerships beyond the three Departments to provide strategic alignment across the health, education, housing, and community safety agenda. In addition to the commissioning teams the Directorate will include the contract management function, the Transport Care and Support Team (TCST) and Procurement. At the heart of this is a focus on residents and creative approaches to co-design and user involvement. The arrangements continue to be embedded. Where staff have moved from Tri-Borough to Bi-Borough roles, we continue to manage any arising risks through transition period by regular review within Senior Leadership team and through business as usual processes.

Integrated Care

- 5.17 There are no changes to the majority of services, teams, and posts within operations as they are already operating on a sovereign basis. Furthermore, some shared management and service arrangements (Hospital Discharge and Community Independence Services) are underpinned by agreements with NHS partners and therefore continue on this basis. Within the Safeguarding Team, posts providing Deprivation of Liberty and Mental Capacity Assessment services will move to a Bi-Borough arrangement. The Safeguarding Board will operate as a Bi-Borough Service and therefore a Bi-Borough Safeguarding Chair position has been created.

Public Health

- 5.18 Public Health was restructured to become a fully Bi-borough service, with its commissioning function integrated into the new Commissioning Directorate outlined above.
- 5.19 As part of Phase 1 of the restructure, the move towards a business partner approach is complete with all business partner positions recruited. Since phase 1 was completed, there are vacancies at SMT level which are being covered by interim staff. The Phase 2 part of the restructure changed the care management team to being a Bi-Borough team. As the team had posts employed by all three boroughs, the new structures were fully recruited at the effective date. The key risks are all closed in relation to Phase 1 and Phase 2 of transition

Health Partnership

- 5.20 A dedicated Health and Well Being Manager for Bi-Borough has been created to support the Director of Health Partnerships to deliver and manage the Better Care Fund Programme and Health and Well Being Boards.
- 5.21 The dedicated Bi-Borough Health Finance Advisory that currently sits within this service will remain in situ but report to the Director of Health Partnerships to ensure delivery of the financial management services with NHS partners, including Better Care Fund programme management.

Head of Operations

- 5.22 The Head of Operations post reports to the Executive Director of Adult Social Care and Health. The Head of Operations post will replace the current Head of Transformation post that currently exists within the structure. The team will continue to work closely with the senior management team and the Executive Director of Adult Social Care and Health to ensure delivery of their priorities.

Finance and IT

- 5.23 As part of Phase 2, adult social care finance has changed reporting lines. From 1 October, the accountancy functions and Income Collection have changed from Tri-Borough to sovereign services. The WCC accountancy team reports into the Assistant City Treasurer and the RBKC accountancy team reports into the Director of Financial Management. The client financial services (Client Affairs, Direct Payments, Financial Assessments and Payments) have moved from Tri Borough to Bi-Borough and report into the Director of Financial Management at RBKC. All teams have moved into their new location and ensuring business continuity has remained a priority. Over the next six months, work will take place to review current processes across ACS finance teams.
- 5.24 ASC IT services will operate on a shared Bi-Borough basis service that is delivered corporately. Therefore, this team moved into the Corporate Information Technology Directorate. ASC IT function now ensures alignment with the Bi-borough ICT 2020 vision which has been agreed and common ICT services ('one mode of delivery') are being established across Westminster City Council & the Royal Borough of Kensington and Chelsea to support digital transformation and improve engagement with Council services. Together with

the revised delivery models and contractual arrangements, the Shared ICT Services organisation is being re-shaped to take on more responsibility for supporting critical Council services and drive transformation across the Councils.

Implementation

- 5.25 The key risks are all closed in relation to transition in phase 2, aside from displaced staff. In order to mitigate the risks this is being managed in line with each respective Borough's change management policies. Appendix 2 provides the year end (17-18) key performance indicators for Adult Social Care

6. Consultation and HR issues

- 6.1 Proposals for new service structures have been subjected to extensive consultation in two phases with all staff affected. The move to a Bi-Borough service represented a significant restructure of resources. However, in practice, the majority of staff were unaffected in phase 1, with the employing borough remaining the same and no changes in job description. In phase 2 approximately 28 positions were impacted, with two staff members displaced and 11 teams moved from Adult Social Care and Health into Integrated Commissioning, Corporate Finance (RBKC), City Treasury (WCC) and IT. This resulted in teams and individual staff relocating from H&F to RBKC offices.

7. Equality Implications

- 7.1 As with all reorganisations, consideration was made as 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. Equality impact assessments were undertaken for each of the new directorate structures.

8. Legal Implications

- 8.1 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.
- 8.2 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.
- 8.3 Two agreements were entered into by Westminster City Council, The Royal Borough of Kensington and Chelsea and the London Borough of Hammersmith and Fulham to give effect to the termination of the tri borough arrangements and the creation of the bi borough arrangements as described in the body of this report. One agreement was for children's services and the other was for adults' services.

- 8.4 The changes to the arrangements that have been agreed since the two agreements were concluded should be formally incorporated into those agreements if they have not already been or are not automatically covered by them.
- 8.5 Any changes to contracts with service providers must comply with the public procurement rules to be lawful.

9. Financial and Resources Implications

- 9.1 Upon serving notice to end the Section 113 Legal Agreement to share services with the London Borough of Hammersmith and Fulham, Westminster City Council set a General Fund budget to fund the costs of the new Bi-Borough working arrangements with The Royal Borough of Kensington and Chelsea, for Adult and Children's Services. The costs incurred for disaggregation are one-off items and are funded through reserves held for additional items of extraordinary expenditure.
- 9.2 Following consultation, the new structure was costed and represented a growth in revenue expenditure for WCC. The additional funding provided by WCC for the new Bi-Borough services in Adult Services, Children's Services and Public Health is provided below in Table 2.

Table 2: Revenue Expenditure Growth for Adult Services, Children's Services and Public Health

£000	Adult Services	Children's Services	Public Health	TOTAL
Tri-Borough Working Cost	18,338	7,407	2,269	28,014
Bi-Borough Working Cost	18,648	7,830	2,428	28,906
Additional Budget Provided	310	423	159	892


- 9.3 The budget growth provided for Adult Services and Children's Services represents an additional call on the General Fund and forms part of the Medium Term Plan. The budget growth provided for Public Health represents an additional call on the Public Health Grant and is modelled in the longer-term financial modelling of the Public Health service.
- 9.4 In Phase 2, the changes consulted on for Adult Services in WCC are estimated to result in a base budget increase of £0.330m. This value is also absorbed by the original budget allocation discussed in 9.1.
- 9.5 There are a number of vacancies within bi-borough financial shared services teams. Over the next six months a review of current processes will be undertaken to determine the longer term staffing requirements and the need to recruit to these vacancies on a permanent basis.

Appendix 1 - Children's Services

Key Performance Indicators

The table below presents the latest cumulative outturns for YE (April 2017 – March 2018), unless indicated. The KPIs presented here have been selected to monitor performance against key service activities within the directorate.

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges ¹				Position at yearend	Target assessment ²	Other contextual insight
		Minimum	→	Ideal	→			
Children's Services								
1. Increased proportion of Education, Health and Care assessments which are completed within 20 weeks [S]	35% (17/41)	55%	→	70%	→	75%	69% (109/159)	Target Achieved
<div>↳</div> <ul style="list-style-type: none">Service commentary: 78% of Education, Health and Care assessments were completed within 20 weeks in Q4 (29/37) bringing the overall year-end performance to 69% (109/159).								
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	725/727 (99 %)	Target Achieved
<div>↳</div> <ul style="list-style-type: none">Service commentary: All transfers where the LA could start the process were completed in 2017-18. Two transfers remain outstanding are subject of a Tribunal appeal. Legally LAs cannot start the transfer process for any statements that are subject of a Tribunal appeal.								
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%	75% (39/52)	Minimum standard met – however above national average Benchmark: Performance is above the national average and continues to perform well.
<div>↳</div> <ul style="list-style-type: none">Service commentary: Performance is above the national average and continues to perform well. All cases where children moved placement have been investigated and a significant number moved to more permanent arrangements, in line with good practice and their care plans.								

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges ¹				Position at yearend	Target assessment ²	Other contextual insight
		Minimu m	➡	Ideal	➡	Aspirational		
4. Number of social care contacts that go onto early help	5% (287 of 5,872)	5%	➡	20%	➡	25%	10% (411/4,128)	Target Missed
 <ul style="list-style-type: none"> Service commentary: This was a new local measure for 2017-18 for which we did not have a baseline. As this work is in its first year this year's performance will help us to set a future targets. Mitigation: Having an Early Help manager in the front door is ensuring that thresholds are consistently applied. 								
5. Percentage of re-referrals to social care within 12 months of the previous referral [S]	9.9% (508 of 1,815)	16%	➡	9.9%	➡	9%	15% (237/1,539)	Minimum standard met – however above national average
6. Percentage of Westminster's pupils who achieve 9 - 4 (A*-C) in English & mathematics	72%	74%	➡	76%	➡	78%	74% (2017 academic year)	Minimum standard met – however above national average
7. Percentage of Westminster schools judged to be outstanding by Ofsted	35%	35%	➡	38%	➡	40%	35%	Minimum standard met – however above national average
8. Improve % of children who reach expected levels for reading, writing and maths at the end of primary school	58%	58%	➡	68%	➡	73%	68% (2017 academic year)	Target Achieved
9. Reduce number of children entering care aged 14-17 (excluding UASC) [S]	17	20	➡	17	➡	17	18	Target Achieved
10. Percentage of 16 to 18 year olds not in education and training (NEET)	1.7%	1.6%	➡	1.5%	➡	1.4%	1.4%	Target Exceeded

Key performance indicator <i>[S] - Statutory indicator</i>	2016/17 position	2017/18 target ranges ¹			Position at yearend	Target assessment ²	Other contextual insight
		Minimum	→	Ideal	→	Aspirational	
11. Increase the number of foster carers recruited	18	8	→	10	→	15	13 Target Exceeded

Target range definitions ¹	Minimum	The absolute minimum level for the KPI that will still allow the service to deliver
	Ideal	A level which is acceptable for service continuity
	Aspirational	The level at which the service is improving beyond current capability
YE Target assessment definitions ²	Target missed	Failed to achieve the minimum target level
	Target exceeded	Achieved above the Ideal target level
	Target achieved	Achieved ideal target level
	Minimum standard met	Achieved the minimum target below ideal level

Appendix 2- Adult Social Care and Public Health

Key Performance Indicators

The table below presents the latest cumulative outturns for YE (April 2017 – March 2018), unless indicated. The KPIs presented here have been selected to monitor performance against key service activities within the directorate.

Key performance indicator <i>[S] - Statutory indicator</i>	2016/17 position	2017/18 target ranges ¹				Position at yearend	Target assessment ²	Other contextual insight	
		Minimum	→	Ideal	→				Aspirational
Adult Social Care									
1. Percentage of clients who require long term service after completing a reablement package	29% (249/845)	34%	→	29%	→	25%	30% (374/1,237)	Minimum standard met	Benchmark: 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. Insight: Performance is exceptionally close to ideal target with a variation of only 9 additional clients.
↳	<ul style="list-style-type: none">Service commentary: The service was very close to target and has performed well in ensuring that 70% of clients who complete a reablement package do not require long term support. A significant number of high need cases are managed by the reablement team and those with neurological conditions are particularly complex.Mitigation: The team will be working with the stroke team at Charing Cross Hospital to ensure that there are reduced delays in case transfers and that patients are accessing the most appropriate pathway for their needs.Timeframe for improvement: Improvement should be seen in Q1.								
2. Total number of new permanent admissions to residential/nursing care of people aged 65 years and over	92	105	→	95	→	85	98	Minimum standard met	Benchmark: In 16/17, 425 permanent admissions of older people to Westminster residential and nursing care homes, per 100,000 of population. This compares to 651 nationally and 454 in London.
↳	<ul style="list-style-type: none">Service commentary: Service was very close to target with three additional admissions from the ideal target.Mitigation: Tighter management controls have been put in place between social work teams and the brokerage team.Timeframe for improvement: It should be recognised that as complexity of need increases and pressure to discharge from hospital continues this measure will continue to be challenging.								
3. Delayed transfers of care, acute days attributed to social care (cumulative)	826	1,213	→	1,103	→	1,047	540 (Apr 2017 – Feb 2018)	On Track to exceed target	Reporting period: Feb 2018 data – Data published by NHS England with 2 month lag however we project that aspirational target will be met when full year data becomes available. YE data will be available in Mid-May

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges ¹				Position at yearend	Target assessment ²	Other contextual insight
		Minimum	➡	Ideal	➡	Aspirational		
4. Number of carers (caring for an adult) who have received an assessment of review of their needs	85% (929)	75%	➡	85%	➡	90%	90% (1,021/1,140) Target Exceeded	Insight: This KPI has increased from 56% at Quarter 3. The significant increase in completed carer's assessments has always been anticipated by the department in Q4. This is partly due to a high number of carers being due for a review of their needs in Q4 and also due to additional focus and redirection of resources to ensure all assessments/reviews are completed
5. Percentage of service users receiving an assessment/review of their needs	80% (2,232)	75%	➡	85%	➡	90%	85% (2,285/2,675) Target achieved	

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges ¹					Position at yearend	Target assessment ²	Other contextual insight
		Minimum	➡	Ideal	➡	Aspirational			
Public Health – Full year data unavailable for KPIs below at time of reporting. See notes for when full year data will be available.									
6. Percentage of children who receive a 2-2.5 year development review	100%	-	➡	75%	➡	-	81.3% (1895/2334)	Target Exceeded	
7. Stop Smoking Services – number of 4 week quits	1,558	1,293	➡	1,365	➡	1,437	1,037	On Track to achieve target	Benchmark: Among LAs, WCC had the highest quit attempts (11,248) and quitters (5,529) per 100k smokers in 2016/17. Reporting period: Cumulative quits 1 April to 31 December 2017. We project that ideal target will be met when full year data becomes available. Full year data available from mid June
8. Community Champions - Number of residents reached through activity	17,545	-	➡	10,000	➡	-	11,507	On Track to exceed target	Reporting period: Q3, April – December 2017. We project that ideal target will exceeded met when full year data becomes available. ? Full year data is currently being collected, this should be available from the end of May
9. Proportion of opiate misusers in treatment, who successfully completed treatment and did not re-present within 6 months	7.17%	6.5%	➡	7%	➡	8%	7.6% (43/563)	On Track to exceed target	Reporting: Completion period: 1 July 2016 to 30 June 2017. Re-presentations up to 31 December 2017. Insight: These are those in structured treatment who completed treatment in a 12 month period, and then are monitored for 6 months post completion to ensure they do not return for further treatment.

Key performance indicator [S] - Statutory indicator	2016/17 position	2017/18 target ranges ¹				Position at yearend	Target assessment ²	Other contextual insight
		Minimum	➡	Ideal	➡	Aspirational		

<p>➡ • Service commentary: Full year data will be published mid-July, however we are not sure if aspirational targets will be met (performance is let down by one service (Blenheim) that is targeted at high needs users, however from April 1st this service delivery is switching to be delivered by our DAWS service which is currently delivering 9-10%)</p>								
10. Total admissions to hospital with alcohol-related conditions – per 100k	508.77	160	➡	140	➡	120	139.71 On Track to achieve target	<p>Reporting period: Q1, April – June 2017. Awaiting latest published figures on this. We project that ideal target will be met when full year data becomes available. Public Health England contacted for an update, they have no timescale on this.</p> <p>Development insight: For 18/19 we are proposing to change this indicator to be “proportion of alcohol misusers in treatment, who successfully completed treatment and did not re-present within 6 months”.</p>
11. Percentage of STI (Sexually Transmitted Infections) screens undertaken in a community setting	2%	2%	➡	4%	➡	6%	9% (885 of 9830) Target Exceeded	<p>Development insight: This indicator will be replaced for 18/19 to give a better representation of the work undertaken in Sexual health</p>

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

YE Target assessment definitions ²	Target missed	Failed to achieve the minimum target level
	Target exceeded	Achieved above the Ideal target level
	Target achieved	Achieved ideal target level
	Minimum standard met	Achieved the minimum target below ideal level



City of Westminster

Audit and Performance Committee

Date:	14th November 2018
Classification:	General Release
Title:	Hampshire County Council Partnership and BT Managed Services Exit
Report of:	David Hodgkinson
Cabinet Member Portfolio	Cabinet Member for Finance, Property and Regeneration
Wards Involved:	All
Report Author and Contact Details:	David Hodgkinson – Assistant City Treasurer dhodgkinson@westminster.gov.uk

1. Background

- 1.1 In November 2017 the Leadership Team approved the recommendation that WCC, together with RBKC should join the Hampshire Partnership as a replacement for the BT Managed Services. The Partnership is known as the Integrated Business Centre or “IBC”. The Leadership Team also agreed the procurement of additional services and systems, including an Income Management System and file transformation middleware to supplement the Hampshire solution. Deloitte were appointed as the primary implementation partner. Deloitte are contracted by the Hampshire Partnership but then charged back to WCC and RBKC as part of the implementation costs.
- 1.2 The council's aim is to have implemented a new solution by 1st December 2018 at the latest. The project can be considered to be on track to deliver against this date although a large amount of work remains to be done and a number of key risks remain particularly in respect of payroll. It should also be noted that this date is effectively immovable due to the commercial position the council has with BT. The council therefore has an end date which for all practical purposes cannot be changed and a timeline which is challenging.

This was outlined to the Audit and Performance Committee on 18 September 2018.

2. Transition to Hampshire IBC Solution

2.1 As reported last time, the main Programme to deliver the IBC Solution is divided into 5 Phases (current timing in brackets):

1. Design (January to April) – Consisting of a series of Fit Gap workshops
2. Build and unit testing (April and May)
3. Testing (June to October (*Originally September*))
 - a. Systems Integration Testing 1 (June)
 - b. Systems Integration Testing 2 (July)
 - c. User Acceptance Testing 1 (August)
 - d. User Acceptance Testing 2 (August/September)
 - e. Payroll Comparison Run 1 (June)
 - f. Payroll Comparison Run 2 (July)
 - g. Payroll Comparison Run 3 (August/September)
 - h. Payroll Comparison Run 4 (September/October)
 - i. Cut over preparation including a “dress rehearsal” for data migration (September/October)
4. Deployment (November)
5. Post Go Live support (December to February)

2.2 The project’s status at the time of writing this report is that Payroll Comparison Run 4 is mostly complete and the “Cut over” preparation is well underway. Issues identified as part of earlier phases of testing have been mostly resolved. The “technical cutover” is now complete which means that the system which will be used at go-live has been built and is ready to be loaded with the council’s extensive data sets.

Payroll

2.3 The Payroll Comparison Runs have been a challenging process and there have been significant issues with data loads which have required post load correction/manual entry. These issues need to be addressed before go-live and they require knowledgeable, skilled resource with experience of Agresso. There are also a range of issues in respect of different ways in which SAP and Agresso calculate pay.

2.4 Payroll comparison 3 used July data from Agresso run through the IBC solution. For WCC, of the 2,057 payroll results there was a 95.04% match on gross pay and an 83.61% match on net pay. At the time of writing payroll

comparison run 4 which used August data the results are reported by Hampshire County Council (HCC) as follows:

Pay Records Compared:	2,126
Pay records matched between Agresso and SAP:	1,662
Pay records where there is a known calculation difference between SAP and Agresso:	325
Resolvable data load issues:	47
Records matched or reconciled:	96%
Records still to be analysed:	92

- 2.5 This represents progress against the comparison run 3 results but the process remains challenging. A 100% net pay result remains the aim but the reality is this is not likely to be achievable. Work continues and staff affected by known calculation differences or other issues at go-live will be written to by the council.
- 2.6 In addition, to mitigate the risk of staff members being paid incorrectly, a considerable amount of effort is going into planning for the go-live with specific reference to this risk. This planning includes a significant pre-go live quality review exercise, communications to staff to ask them to check payslips on the 6th/7th of December before being paid on the 14th December and arrangements to make emergency payments to staff should they be needed.

IBC Solution

- 2.7 Hampshire's IBC Solution is made up of 3 key elements: The IBC team based in Hampshire, ESS Lite and the IBC portal
- 2.8 **ESS Lite** is the employee self-service functionality that all employees of the Council will use for processes such as viewing their payslip, booking annual leave, recording sickness, submitting timesheets, expenses and overtime and updating their personal information. Employees will access ESS Lite via a link on the Wire and which will be accessible via mobile devices. By clicking on the link they will be taken straight to ESS Lite – there is no need to log into ESS Lite when using a council device. All employees will also be able to access this functionality on the go through a mobile device when they are not in the office. To do this they simply need to register an account for ESS lite. This will be extremely useful to staff who work from home or are not normally based at a council office.
- 2.9 ESS Lite is intuitive and easy to navigate – much more so than the current system. During the testing phase of the programme we asked colleagues across WCC and RBKC to take part in testing and a survey was undertaken to gauge their feedback. All of respondents (approximately 70 users from across the business in both boroughs) said the system was easy to use. When comparing ESS Lite to the current system, respondents said it was easier to navigate, faster and didn't log them out after a period of time which was seen as a real benefit.

- 2.10 Registration for remote access to ESS Lite will be available two weeks in advance of “go-live” – exact dates to be confirmed. Staff will need to register for remote use e.g. from a SmartPhone or home PC. Staff will be able to single-sign-on to ESS Lite from their corporate network without registering from go-live day.
- 2.11 The **IBC portal** is the wider functionality that will be available to all line managers, hiring managers, budget managers and requisitioners. It has the same look and feel as ESS Lite. When a manager opens the IBC portal, all of the ESS Lite functionality will be available to them within the same view and will give them a one stop shop for all the HR and Finance functionality they need both for their role and as an employee of the Council.
- 2.12 Through the IBC portal, Managers will be able to view their teams and their structure, run reports such as sickness and expenses and also submit requests to the IBC HR and Payroll teams. They will also be able to initiate recruitment through the IBC portal. This manager functionality is also known as Manager Self Service.
- 2.13 All of the manual forms that Managers currently have to submit for processing by BT will be replaced by the intuitive functionality within the IBC portal. Managers will also have the ability to perform additional tasks within the IBC Portal such as creating or changing posts within their structure or updating an employees working pattern - giving Managers greater control over data and enabling the information to be kept up to date simply and easily.
- 2.14 Budget Managers will go via the IBC Portal to submit their forecasts and run reports. Requisitioners will use the IBC Portal for raising purchase orders and tracking and reporting.

3. Data Migration

- 3.1 The data migration workstream has one Subject Matter Expert (SME) acting as the functional lead for each area. The functional leads are working under direction from the Project Management Office (PMO), led by Deloitte. Functional leads work with the data migration consultants and SQL experts. SQL is a programming language used to change the format of data from its format in Agresso to that needed for it to be successfully loaded into SAP. The sections of data migration are:
- Order to Cash
 - Purchase to Pay
 - General Ledger
 - HR Data
 - Organisational Management data
 - Payroll Data

- 3.2 The data migration for each of the different areas within each of the sections above require a detailed “functional specification.” These define how each individual data field / object in Agresso will be mapped to the IBC solution. This was a significant project which commenced early in the project implementation.
- 3.3 The team completed functional specification templates provided by the PMO which have been completed and approved by Functional Leads.
- 3.4 Rather than extracting data directly from the live Agresso solution, BT securely provide a full copy of the data following each mid-month payroll and month end. Data is loaded into a secure database from which the relevant data is extracted and validated.
- 3.5 Data is extracted through automated scripts which is the primary method (using SQL programming), or manually by exception. For both methods the basis has to be defined, agreed and tested.
- 3.6 Once data has been validated it is securely transferred to HCC ready to be loaded into SAP. HCC has developed a range of processes to ensure the data load process is successful.
- 3.7 Data is validated both before and after loading to SAP using a Data Validation Report (DVR) for each data set provided.
- 3.8 There are 24 Finance and 51 HR/Payroll extracts for each council. Examples of the data types that will be migrated include:
- Organisation Management
 - Budget (Capital and Revenue)
 - Customer and Supplier Master Data
 - Purchase Orders
 - Employees
 - Basic Pay
 - Agency staff
 - Annual Leave balances
 - Open invoices / transactions
 - Capital and Revenue balances
 - Cost centre creation
- 3.9 Data Cleansing Activities are progressing well and the team is targeting all areas of data. For example, to ensure that only valid outstanding orders are migrated to the IBC solution.
- 3.10 Another example is the cleansing relating to Customer and Supplier “master data” where field requirements and character tolerances in the IBC solution are less than in Agresso. For example, data such as email addresses, postal addresses etc are needed which may not always be in place.

- 3.11 Data cleansing is principally carried out in Agresso via the current controlled processes or exceptionally via data tables that will transform data in bulk as required via SQL script, which will be an automated process.
- 3.12 Data Migration “Dress Rehearsals” are the process by which data migration processes to the IBC Solution are to be tested and validated. These exercises aim to prove the migration and transformation rules set out in the functional specifications. All the data needed and the process for transforming it into the required file format for the IBC solution can be assessed for timing i.e. how long it takes and whether there are any issues with the data which can be rectified before the cutover period. There are two data dress rehearsals programmed, one which is complete and which was linked to the payroll comparison run 4 and one in October.

4. Organisational Management data

- 4.1 Organisational management data forms the cornerstone of the data held within the system and contains the hierarchical management structure with posts and employees linked to it. Without this data the system does not function at all.
- 4.2 Organisational Management data for payroll comparison run 4 and Dress Rehearsal 2 has been provided to HCC.
- 4.3 HR and Finance colleagues will continue to quality check the data over the coming weeks to ensure accuracy for dress-rehearsal.
- 4.4 Organisational management data for dress rehearsal was provided to HCC for the 8th October.

5. Cutover

- 5.1 Cutover is the structured approach for managing the transition of people, data, processes and technology from the existing ways of working to new ways of working.
- 5.2 This needs to be completed in a structured way to mitigate risks and make the transition as smooth as possible. Due to the nature of the relationship WCC, RBKC and LBHF have with BT, this activity is effectively a tri-borough activity.
- 5.3 The cutover (and rehearsal cutover) covers a period of several weeks before the actual “go live” date which is 1st December 2018. The cutover covers four key areas:

- **Technical cutover:** Apply all new code, configuration and functionality to IBC systems in HCC's 'Production' environment (on completion of all testing cycles). This is complete.
 - **Data migration:** Each data type, or object, is "frozen" in the legacy systems at an appropriate point to obtain a defined data point and then extracted. Many data sets then require further transformation or enrichment before loading into IBC systems (see Data Migration section). A data validation process is applied to ensure the accuracy and integrity of the data.
 - **Business readiness:** The Business Readiness workstream will ensure that the councils are fully prepared for the transition to the IBC services. Business readiness plans will be aligned with technical cutover and data migration timelines.
 - **Operational readiness:** The Operational Readiness workstream will ensure that operational teams (in the IBC and Finance Operations) are ready to deliver services to the councils from "go-live" day (as well as existing partners). This workstream will also ensure that operational teams are ready for the earlier changes (for existing partners).
- 5.4 To deliver a high quality data migration, sufficient time must be allowed to extract, transform, and load each data object - and perform pre and post load data validations.
- 5.5 Once data has been extracted, it must not be changed in the legacy system – otherwise migrated data will not reflect what is in those legacy systems, and cause issues at go-live. To avoid this problem, data must be "frozen" in the legacy system.
- 5.6 "Frozen" means that no further changes to data can be made, and all pending transactions are executed in the legacy system.
- 5.7 Appropriate communications are in the process of being issued to the business to ensure that there is understanding of what to do while the data the organisation relies upon is frozen.

6. Business Deployment

- 6.1 This workstream is centred on engaging the wider business, raising awareness and communicating progress around the IBC programme to end users. The team has delivered the following:
- **Roadshows:** we have been setting up a market stall style stand in reception and breakout areas at the Strand, Portland house, Lisson Grove / Frampton Street and City West Homes and during November we are scheduled to be at 3 Westminster libraries, Sayers Croft, NHS centres and are attending the Adult Social Care away day and hosting a skype event with our Parking colleagues in Scotland. The purpose of the roadshows is to raise awareness,

answer queries and provide helpful handouts and FAQs to staff – one each for employee, line manager, budget manager and hiring manager. The stand was also taken to the Senior Leadership team event on 19th October. To date we have given out in excess of 700 handouts and received positive engagement from the business. A handout for Councillors who will utilise self-service is also being created and sessions have been set up in late November to support Councillors in creating their self-service accounts in the IBC Portal.

- Promotional video: in partnership with our design team, we have created a short video as an introduction to the IBC for staff. This was launched at the senior leadership team event and has now been made available to all staff to watch. We have also created a short testimonial video of staff who participated in user acceptance testing during August. The feedback was overwhelmingly positive, with users reporting that it was intuitive and easy to navigate.
- IBC Sharepoint site: we have created a dedicated site for all of the support and guidance materials that have been produced so that staff can access them all in one easy to navigate location.
- IBC Newsletter: all staff receive a weekly update from the IBC team containing key information for example around the data freeze, how to access help and guidance and where we advertise our business deployment events.
- Focus sessions: we will be running a series of events throughout November to give staff more information around how to use the IBC portal. There are specific sessions for employees, line managers, budget managers, hiring managers, requisitioners and customer invoicing. Staff have been encouraged to book themselves onto the sessions and now most are fully booked. We will be launching new dates for all sessions for after go live.
- 'How to videos': we are in the process of creating a range of bitesize instructional videos which will show staff how to use the system broken down by process. The content that has been developed for these videos will also be made available to staff as step by step instructions available in a powerpoint format.
- 3rd Party access: we have been working with our partner organisations and IT to identify all users that will need full access to the IBC portal in a manager or budget holder capacity but are not on the WCC network. These users will require a VPN token and this solution is currently going through testing.
- IBC Advocates: we have been continuing to meet with and brief our 75 IBC advocates on a monthly basis. The advocates have supported us in disseminating key information to teams across the council.
- Floorwalkers: Through the IBC Advocate network we now have around 100 colleagues across the services who have volunteered to support in floorwalking for the first 2 weeks after go live. There is a Floorwalker briefing session on 20th November to ensure that everyone is familiar with the system, how to access support and guidance and where to raise any queries or issues – particularly focusing on pay, access and organisational structures.

- 6.2 The WCC and RBKC business deployment teams meet on a weekly basis to discuss current activities and scheduled communications to the business. We also share content to ensure that wherever possible there is alignment – this is particularly important for Bi-Borough teams.

7. Confidence testing

7.1 Confidence testing will be done in production systems just before go-live. The purpose of these tests is to:

- Verify that the cutover has completed successfully
- Identify and address any residual issues before all users from the three London boroughs access systems for the first time.

8. Post Implementation Period

8.1 The period beyond go-live is highly likely to reveal a number of problems with the live environment. While extensive work is being done to mitigate the risk of these problems, broader experience and advice in respect of other Enterprise Resource Planning (ERP) “go-lives” suggests issues are inevitable.

8.2 As part of the overall risk mitigation strategy, a number of arrangements are being put in place to mitigate the stabilisation of the new system and platform. These are as follows:

- “Hyper Care” – this period will run for the duration of the first 4 weeks after go live. This is a period of intensive support and regular review to ensure the service is functional and any issues can be quickly addressed. A detailed delivery plan with appropriate governance will be put in place in the coming weeks and full day workshops are planned for 8th October and 12th October. It is anticipated at the end of December 2018 the Hyper Care period will move to stabilisation. Key Performance Indicators (KPIs) for stabilisation performance will be agreed with between all partners.
- “Stabilisation” – this period will run from January to April 2019. Again a full plan and appropriate governance is in the process of being developed. This will be an effective framework for regular service review and communication during the embedding period. This stabilisation period will transition to Business as Usual (BAU) governance from some point in April 2019. At the end of this period a report will be produced setting out an agreed KPI list, additional stabilisation indicators – e.g. query resolution / call volume, go-live stabilisation issues and resolutions, outstanding system fixes and development plan, outstanding issues and action plan.
- Business as Usual – running from April 2019 onwards. At this point a new governance structure will be put in place for the councils which will be based on strategic monitoring of the partnership. Resourcing and reporting of this is currently being considered.

9. Standard Support Channels

9.1 The IBC has a set of standard support channels which will be available to users from go-live. These are illustrated below.



Text above expanded:

Step one: Customer may need help with the IBC Portal / ESS Lite, or have an enquiry of their own or about their team.

Step two: Customer is encouraged to find the answer for themselves online - using the extensive, personalised, context sensitive and searchable on-line “help” guidance. In line with the self-service model, this should always be the first place that staff go for help, before enquiries are raised.

Step three: Customer contacts the Customer Support Team via one of these routes:

- **Web chat** – available on the help pages related to several IBC Portal forms
- **Raising enquiries** – using the “My Enquiry” app (ESS Lite)
- IBC Customer Support Team **phone line** – providing guidance about how to self-serve (the phone line also provides an option for ESS Lite registration issues).

Step four: Customer receives a personal service from the support team with a dedicated case manager handling their enquiry through to completion.

Step five: 80% of tasks are simple and handled by the welcome support. 20% of tasks are complex and require specialist support.

10. Contingency Planning

- 10.1 A piece of work is underway to consider contingency arrangements in the event of difficulties at go-live. This includes considerable work to ensure that staff are not underpaid going into the Christmas period.

11. Accounts Payable – Paying our Suppliers

- 11.1 This area manages all payments to suppliers and individuals requesting refunds. The council makes very high volumes of payments to both individuals and suppliers. Any interruption to the payment process is a risk to the programme.
- 11.2 The team (including finance officer support from Corporate Finance) have been working with the Hampshire Partnership to understand any differences between the systems and how current business processes may have to change.
- 11.3 Approvals in the IBC solution will workflow through to line management rather than Budget Managers, therefore budget holders need to make sure that they check budgets diligently to identify any errors. This key difference and shift in responsibility is being built into the training and information being provided to budget managers.
- 11.4 As we progress towards go-live, the following actions are being taken:
- Provide ongoing and more frequent communication to suppliers required as go-live approaches.
 - Create web-based “knowledge share” (training) programmes
 - Master data and transactional data cleanse (ongoing and to be completed before the cutover period)
 - Cutover planning and preparation
 - Ongoing data cleansing, minimising the volume of purchase orders to be migrated.
 - Preparing for the data dress rehearsals and agreeing the validation and data reconciliation process.

12. Customer Invoicing and Debt Management

- 12.1 This area primarily raises invoices to customers for goods and services that the council has provided. It also covers raising credit notes and making sure income is collected and posted against the invoices.
- 12.2 There are a number of changes to our business practices which are listed below:
- Invoices no longer need approval, which removes the second check on accuracy by the budget manager

- Credit Notes can only be raised for the whole amount of an invoice and not a partial amount. This also results in the need for a further invoice to be raised. These changes will need to be communicated with the business as part of the knowledge transfer work, highlighting the implications for:
 - debt management (as it will change the aged debt profile) and
 - potentially introduce further delays to receipt of payment where a new invoice needs to be raised and re-processed by the customer

12.3 The IBC Solution is not configured to provide the facility for invoice/statements for social care clients. Instead they will receive an invoice, reminders and a statement that is currently manually generated. Work has been progressing on how the change can be managed with this client group, such as exploring the process in Hampshire and Oxfordshire County Councils. This change will need communicating to this particular vulnerable client group.

12.4 The team are now focusing on:

- Preparing the training materials and finalising the web support (Operating Procedures)
- Preparing communications (and send out) to our customers about the changes resulting from the move to the IBC
- Ongoing data cleansing (ensuring that receipts are posted appropriately, unapplied receipts are identified and applied to the right customer accounts.
- Preparing for the data dress rehearsals and understanding the reconciliation process

13. IT

13.1 All IT work is being undertaken and managed on a Bi-Borough basis.

13.2 Interfaces - All automated interfaces to and from the IBC solution have been tested during User Acceptance Testing (UAT) and the last few bugs have now been resolved. Sample customer invoices and remittance advice notes have been produced and validated with business systems owners.

13.3 A new web-based system has been developed allowing entry and control of manual payment requests and to interface them into the IBC solution.

13.4 Access to the IBC solution - During UAT, about 500 users across the 3 boroughs were granted access to the IBC Portal. Some of these were unable to logon using the standard single sign-on process, the majority because they didn't have council user accounts due to working for 3rd parties such as CityWest Homes or WAES. A separate solution for these users (approx. 150 people) has been created and tested and will be available for larger scale testing in October. The cause of other users being unable to logon was data issues which are being investigated and resolved so that we can ensure that

very few users will have problems accessing the system on the first day of live running.

- 13.5 Further assurance is being obtained from Hampshire about their system's ability to cope with the large number of new users expected to access the system in the first few days of live running.
- 13.6 Learning Management - IT is advising on an appropriate tool to deliver e-Learning content for Bi-Borough users. A system is being developed to allow officers and HR to view training histories from before the go-live of the new SAP SuccessFactors system. This is because old Learning Management Systems are being decommissioned but training history data is not being migrated to the new system.

14. Income Management (IM)

- 14.1 The IBC solution does not have a module which offers income management as the other partners in the existing partnership are Precepting Authorities and not Billing Authorities. Therefore WCC and RBKC have sourced an income management system that will deal with their income requirements which is a re-implemented version of Agresso income manager - a later version of the existing solution hosted by a company who are expert in hosting Agresso solutions. Although the solution is referred to as an Income Management solution it would be more appropriate to describe it as an Income Management and banking transaction management solution.
- 14.2 The income management system enables us to:
- Provide customer facing card payment solutions – Chip and PIN; Telephone Payments, Automated Telephone Payments (ATP),
 - Import transaction files (bank, bailiff etc.)
 - Process the income / expenditure transactions and accounts for it accordingly
 - Enable Finance users to Allocate / Reallocate any unallocated income
 - Post all income / reallocate income to the general ledger and cashbooks
 - Export files to Line of Business systems to update customer accounts
- 14.3 The list below summarises the actions that have been completed to date:
- Procurement
 - Contract Award
 - Solution Design
 - Build and Configuration
 - Unit Testing
 - Network Configuration
 - Systems Integration Testing (SIT) Phase 1 Testing
 - SIT Phase 2 Testing
 - IM Support Requirements
 - WCC Go Live was 24th September

- 14.4 To reduce the risk of a change to both our core finance and IM solutions at the same time, the implementation for IM was planned to be ahead of the migration to SAP. The new IM solution went live for WCC on 24 September 2018. The cutover process was successful for all payment methods, and entirely invisible to our customers. Resources within WCC took over the work associated with the Income Management processes from BT at the point of Go-Live.
- 14.5 From Go Live the solution interfaces with the BT Agresso system on a daily basis, but this will change on 3rd December when the council moves to the IBC solution when it will then interface into the IBC solution.
- 14.6 Part of the end to end Income Management process includes the management and banking of cheque payments. To support this function the council have also implemented a cheque scanning solution which interfaces with the IM solution. This aspect of the solution is not yet live, but the work to complete this implementation is progressing well and expected to be completed imminently.
- 14.7 The Income Management solution integrates with our new Bank Reconciliation solution. This function will also be performed by the Council rather than HCC. BT will continue to deliver the bank reconciliation until the council moves to the IBC solution. Testing of the Bank Reconciliation solution will continue as we progress towards the implementation with HCC.
- 14.8 From go-live on 14th October to 23rd October the IM solution had processed c£24m of income.

15. Historic Solution

- 15.1 For reporting and by law we need to have access to our historical information, for this to be possible we have secured a read only Agresso replacement system (1 April 2015 to 30 November 2018) which is exactly replicated and the “user experience” is identical to the current BT offer but is set up as a “read only” solution. So far the system has been built and all transactions and documents have been loaded into the system up to end-September 2018. The solution will be updated with a full copy of the live database in mid-November once the BT solution is no longer available to post transactions.
- 15.2 To provide assurance that the balances and “feel” of the system is identical, a number of staff in the Corporate Finance Team were given system logins and were asked to complete a UAT script (in the same format as the UAT for the IBC solution).
- 15.3 Access to the Historic Solution will be limited to professional HR, Finance and Payroll colleagues.

16. BT Exit

- 16.1 Detailed work is ongoing to ensure the safe exit from the current arrangements with BT. On the whole BT have been pro-active in the planning process and work has now progressed to ensure that the BT Exit and HCC Onboarding processes are complementary. There is now greater clarity of the impact on process and data freezes that are required to exit BT/Agresso and onboard to the IBC/SAP. Remaining matters are being clarified.
- 16.2 BT have provided detailed information in relation to staff potentially impacted by TUPE. Work continues with colleagues from WCC, LBHF and HCC as all organisations are impacted by the TUPE regulations. BT have agreed to a parallel consultation process which will involve making offers of enhanced severance payments to the transferring BT staff in return for them signing Settlement Agreements waiving any claims against BT and HCC. This is ongoing and progressing well. The council will continue to ensure its interests are appropriately protected in settling redundancy arrangements that it is commercially liable for.
- 16.3 Some concern remains in respect of the stability of the BT operation in Jarrow with specific regard to staff departing early. However, the progression of enhanced redundancy offers and a general sense that the level of attrition at present is not as high as feared suggests this is currently a manageable situation but one that remains under review.

17. Risk Management

- 17.1 Risks are reviewed weekly at either the IBC Project Implementation Board or the Dependent Project Board.
- 17.2 The following risks have the highest scores:

Risk	Mitigation
Currently there is no provision within the BT Exit Plan to complete part year pension returns. E.g. the LGPS, Teachers' Pension Return	Ongoing discussion with BT about ensuring appropriate data is available to the council to ensure it can fulfil this requirement.
There is a risk that key council resources will be spread too thinly over a range of activities leading to failures to deliver BT exit related activity.	Programme sponsors are responsible for managing and coordinating resources.
There is a risk that pay slips will be	This risk has been subject to a contingency

incorrect post go-live which could result in under or over payments to staff.	planning workshop. A number of mitigation actions are being investigated including communications to encourage individuals to check their pay slips after go-live and a range of checks to be completed on the pay slips before they are released. Mitigation options being investigated and progressed including emergency payments.
There is a risk that cutover will not complete in line with the current Cutover Timetable, in light of dress rehearsal 1 experience (especially data validation reporting process and data loading issues). This would impact ability to "go live" on 1st December.	An enhanced cutover plan has been developed in which all elements of the project are aligned with (Cutover Plan overview v0.7). Whilst the risk still exists, all workstreams are clear what need to be done by when, and have plans to deliver that. The largest risk area in the remaining cutover plan is around data reporting and loading. Work has gone in to resolving data quality issues and dealing with exceptions.
"User requirements" changes from October are delivered on 14th November. If volumes of these changes are more than a few dozen, there is a risk that they cannot be processed in time for 1st December "go-live". If any of these changes can not be processed, that would result in users not being correctly setup for go-live.	Continued business communications to minimise user requirement changes in final months. Daily checks on progress in place with the Boroughs.



Audit & Performance Committee Report

Meeting:	Audit & Performance Committee
Date:	14 November 2018
Classification:	General Release
Title:	Work Programme
Wards Affected:	N/A
Financial Summary:	There are no direct financial implications arising from this report
Report of:	Acting Head of Committee & Governance Services
Report Author:	Reuben Segal, Acting Head of Committee & Governance Services. Tel: 020 7641 3160 or email: rsegal@westminster.gov.uk

1. Executive Summary

- 1.1 The Committee is invited to review the work programme attached at appendix 1 and confirm the agenda items for its next meeting in November.
- 1.2 The Committee is asked to note the actions which arose from the meeting on the 18 September 2018 and the work undertaken in response, as detailed in appendix 3.

2. Recommendations

1. That the Committee agrees the agenda items for its next meeting on the 5 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 2018/19 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 There are no tasks groups operating at present.

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, Acting Head of Committee and Governance Services

Tel: 020 7641 3160 or email: rsegal@westminster.gov.uk

APPENDICES:

Appendix 1 – Work Programme 2018/19

Appendix 2 – Terms of Reference

Appendix 3 – Committee Action Tracker

BACKGROUND PAPERS: None

Work Programme 2018/19

Audit and Performance Committee

20 June 2018

Agenda Item	Reasons & objective for item	Lead Officer
Annual Statement of Accounts and Outturn 2017-18	To formally receive and approve the final accounts with any update arising from the public inspection period.	Steve Mair (Finance)
Grant Thornton Audit Finding Reports 2017-18	To consider the final reports from the Council's external Auditors, Grant Thornton, on the key findings arising from their audit of the Council's financial statements and those of the Local Government Pension Scheme it administers.	Paul Dossett (Grant Thornton)

Agenda Item	Reasons & objective for item	Lead Officer
Annual Contracts Review 2017/18	To review of the City Council's contracts, including details of contracts awarded, waivers and performance.	Maria Benbow (Procurement)
2017/18 End of year Performance Business Plan Monitoring and Period 2 (May) Report	<p>The year-end report presents detailed performance results for the year April 2017 to March 2018 against the 2017/18 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>Cathy Mullins/Mo Rahman (Performance)</p>
Annual Counter Fraud Monitoring Report	To oversee and monitor the performance of the Counter Fraud Service	Andy Hyatt (Anti-Fraud)
Annual Report on Internal Audit and Internal Control - 2017/18	To consider the work of Internal Audit in 2017/18 and the opinion of the Shared Services Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the internal control environment.	David Hughes (Internal Audit)
Work Programme 2018/19	The Committee is invited to agree its work programme for the 2018/19 municipal year.	Reuben Segal

18 September 2018

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2018/19	The Committee is invited to review its work programme for the 2018/19 municipal year.	Reuben Segal
Grant Thornton Annual Audit Letter 2017/18	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.	Paul Jacklin Paul Dossett (Grant Thornton)
Progress and Update on 2018-2019 Audit	To consider an update on the 2018 - 2019 Audit and key information on accounting changes and emerging issues for local government	Paul Jacklin Paul Dossett (Grant Thornton)
Finance (P3) & Performance Business Plan Monitoring Report	<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>Cathy Mullins/ Mo Rahman (Performance)</p>
Update on HRA Capital Programme Slippage	To consider a report on the HRA capital programme outturn against forecast and mitigation measures to address any underspend.	Steve Mair (Finance)/ Barbara Brownlee (GPH)
Internal Audit Monitoring Report	To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective and	David Hughes (Internal Audit)

	robust internal control framework.	
Internal Audit Charter	To review the Council's Internal Audit Charter which is maintained by the Shared Services Director for Internal Audit, Fraud, Risk and Insurance in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS)	David Hughes (Internal Audit)
Managed Services Update	To receive an update on the transition arrangements from BT to Hampshire County Council.	John Quinn (Corporate Services)
Update from CityWest Homes	To receive a report from the Council's Housing Directorate and CWH on: <ul style="list-style-type: none"> • Operational Performance • Contract Management • Complaints • Risk • Financial Standing 	Sandra Skeete (CWH)
Procurement Update	To receive an update on contract management programme and outcomes/achievements delivered to date.	Maria Benbow

14 November 2018

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2018/19	The Committee is invited to review its work programme for the 2018/19 municipal year.	Reuben Segal
Progress and Update on 2018-2019 Audit	To consider an update on the 2018 - 2019 Audit and key information on accounting changes and emerging issues for local government	Paul Jacklin Paul Dossett (Grant Thornton)
Corporate Complaints 2017/18	To report on the volume and details of complaints received by the Council and CityWest Homes in 2018/19.	Sue Howell (Complaints)
Finance Monitoring Report	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.	David Hodgkinson (Finance)
Internal Audit Monitoring Report	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)
Mid-Year Counter Fraud Monitoring Report	To oversee and monitor the success of the Counter Fraud Service	Andy Hyatt (Anti-Fraud)

Update on Bi-Borough Arrangements	To monitor the key operational issues in Adults, Children's and Public Health Services following the transition from Tri-Borough to Bi-borough arrangements.	Melissa Caslake Bernie Flaherty
Review of Anti-Fraud Policies	<p>To review and approve the following which are maintained by the Corporate Anti-fraud Service:</p> <ul style="list-style-type: none"> • Whistleblowing Policy • Fraud Response Plan • Anti-bribery Policy • Anti-money Laundering Policy (including procedures) 	Andy Hyatt (Corporate Anti-fraud Service)
Update on Hampshire County Council Partnership and BT Managed Services Exit	To receive an update on the transition arrangements from BT to Hampshire County Council.	David Hodgkinson (Finance)

5 February 2019

Agenda Item	Reasons & objective for item	Lead Officer
Work Programme 2018/19	The Committee is invited to review its work programme for the 2018/19 municipal year.	Reuben Segal
Grant Thornton Certification of Claims and Returns Annual Report (Audit 2017/18)	To report the findings from the certification of 2017/18 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.	Paul Jacklin Paul Dossett (Grant Thornton) Martin Hinckley
Grant Thornton Annual Audit Plan 2018/19	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 2018/19.	Paul Jacklin Paul Dossett (Grant Thornton)
Maintaining High Ethical Standards at the City Council	To maintain an overview of the arrangements in place for maintaining high ethical standards throughout the Authority	Tasnim Shawkat (Monitoring Officer)
Finance & Performance Business Plan Monitoring Report	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 2018/19 business plans	David Hodgkinson (Finance) Mo Rahman/Damian Highwood (Performance)
Internal Audit Monitoring Report	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)

Internal Audit Plan 2019/20	To review and comment on the draft audit plan for 2019/20	David Hughes (Internal Audit)
Managed Services Update	To receive an update on the transition arrangements from BT to Hampshire County Council.	Dave Hodgkinson (Finance)
Update from CityWest Homes	To receive a report from the Council's Housing Directorate and CWH on: <ul style="list-style-type: none"> • Operational Performance • Contract Management • Complaints • Risk • Financial Standing 	Barbara Brownlee/ Sandra Skeete (CWH)
Procurement Update	To receive a quarterly update on Procurement activity by Service Directorate	Mandy Gado

Agenda Item	Reasons & objective for item	Lead Officer
Draft Annual Statement of Accounts and Outturn 2018/19	To review the draft 2018-19 Annual Statement of Accounts and outturn.	David Hodgkinson (Finance)
Pensions Administration Update	To receive an update on any changes to pensions administration to assist Councillors in reviewing the draft Statement of Accounts for the City of Westminster Pension Fund	Phil Triggs (Finance)
Draft Audit Findings Report 2018/19	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 Paul Jacklin (Grant Thornton)
Performance Business Plan Monitoring Report	To monitor Quarter 3 performance results against the 2017/18 business plans	Damian Highwood/ Mo Rahman (Performance)
Integrated Investment Management Strategy	To review the performance of the integrated investment management strategy.	Finance
Procurement Update	To receive a quarterly update on Procurement activity by Service Directorate	Mandy Gado

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AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

CONSTITUTION

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

TERMS OF REFERENCE

Audit Activity

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

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COMMITTEE ACTION TRACKER
ACTIONS: 18 September 2018

ACTION	OUTCOME	LEAD OFFICER
FINANCE PERIOD 3 AND QUARTER 1 PERFORMANCE BUSINESS PLAN MONITORING REPORT		
<u>Finance</u>		
Provide a breakdown of the specific variances in each general fund capital project in future finance reports	This will be actioned	Dave Hodgkinson Assistant City Treasurer
<u>Performance Monitoring</u>		
1. KPIs for attention - Is the 4% target for STI screens undertaken in a community setting appropriate?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
2. KPIs for attention – How is the failure to meet the streets lighting defects targets and call-back regarding noise complaints impacting Westminster's residents?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
3. Featured analysis: Greener City – What air quality data and carbon emissions data does the Council hold and what actual real impacts have the greener city initiatives made to the air quality in the city?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
4. Adult Social Care and Public Health – How is the Council monitoring safeguarding issues around Adults in light of the changes in shared service arrangements?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
5. Children's Services – What is being done for the 40% of carers at Q1 that are NEET?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
6. City Management and Communities - What KPIs and performance monitoring is there for policing following the planned BCU merger?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
7. Growth, Planning and Housing – Provide an update on the mitigation actions around facilities management's failure to maintain a Health & Safety compliant portfolio.	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team

ACTION	OUTCOME	LEAD OFFICER
8. Policy, Performance and Communications - What % of the Council's events revenue is at risk and what is the actual impact?	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
9. The Committee would like future reports to include the top quartile figures instead of the average when benchmarking performance.	This information was circulated on 8 October	Mo Rahman and Damian Highwood, Evaluation and Performance Team
UPDATE ON THE HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME	.	
1. Provide an explanation for the variance in the external repairs and decorations works at Period 3 compared to approved budget.	This information was circulated on 8 October	Barbara Brownlee, Executive Director of Growth, Planning and Housing
2. The Committee will review the HRA capital outturn compared to original budget at year end where it will also review the outcomes of the PMO to date.	This will be included on the agenda for the 2 May meeting.	Barbara Brownlee, Executive Director of Growth, Planning and Housing