



City of Westminster

Committee Agenda

Title: **Audit and Performance Committee**

Meeting Date: **Wednesday 27th November, 2019**

Time: **6.30 pm**

Venue: **Rm 18.02,18th Floor, 64 Victoria Street, London, SW1E 6QP**

Members: **Councillors:**

Ian Rowley (Chairman)
Elizabeth Hitchcock
Jacqui Wilkinson
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 6.30pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Artemis Kassi, Senior Committee and Governance Officer.

**Tel: 07817054991 Email: akassi@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 pecuniary interests or any other significant interest in matters on this agenda.

3. MINUTES

To approve the minutes of the previous meeting.

(Pages 5 - 14)

4. GRANT THORNTON ANNUAL AUDIT LETTER 2018/2019

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

(Pages 15 - 32)

5. PROGRESS AND UPDATE ON 2019/2020 AUDIT

To consider an update on the 2019 – 2020 Audit and key information on accounting changes and emerging issues for local government

(Pages 33 - 60)

6. FINANCE AND PERFORMANCE 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.

(Pages 61 - 146)

7. INTERNAL AUDIT MONITORING REPORT

To oversee and monitor the success of the Audit Service in planning and delivering outcomes and establishing an effective

(Pages 147 - 154)

and robust internal control framework.

8. CORPORATE COMPLAINTS 2018/2019

**(Pages 155 -
184)**

To report on the volume and details of complaints received by the City Council 2018/2019

9. MID-YEAR COUNTER FRAUD MONITORING REPORT

**(Pages 185 -
206)**

To oversee and monitor the success of the Counter Fraud Service

10. REVIEW OF ANTI-FRAUD POLICIES

**(Pages 207 -
250)**

To review and approve the following which are maintained by the Corporate Anti-Fraud Service:

- Whistleblowing Policy;
- Fraud Response Plan;
- Anti-Bribery Policy; and
- Anti-Money Laundering Policy (including procedures).

11. WORK PROGRAMME 2019/2020

**(Pages 251 -
262)**

The Committee is invited to review its work programme for the 2019/2020 municipal year.

**Stuart Love
Chief Executive
19 November 2019**

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CITY OF WESTMINSTER

DRAFT MINUTES

Audit & Performance Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Audit & Performance Committee** held at 6.30pm on Thursday 19th September 2019, Rooms 18.4/18.5, 18th Floor, Westminster City Hall, 64 Victoria Street, London SW1E 6QP.

Members Present: Councillors Ian Rowley (Chairman), David Boothroyd, Elizabeth Hitchcock and Jacqui Wilkinson.

Also Present: Gerald Almeroth (Executive Director of Finance & Resources), Barbara Brownlee (Executive Director of Growth, Planning & Housing), Julia Corkey (Executive Director of Policy, Performance & Communications), Damian Highwood (Evaluation & Performance Manager), Dave Hodgkinson (Director of Corporate Finance & Property), David Hughes (Shared Services Director for Audit, Fraud, Risk & Insurance), Stuart Love (Chief Executive), Moira Mackie (Senior Internal Audit Manager), Jonathan Noble (Head of Procurement & Supply Chain), Andrew Palmer (Senior Committee Officer), Jim Paterson (Director of Property Services), Daniel Peattie (Senior Finance Officer, Growth Planning & Housing), Mo Rahman (Planning & Performance Manager), Sara Sutton (Executive Director of City Management & Communities), Andrew Tagg (Director of Operations & Management), Rikin Tailor (Head of Corporate Finance), Neil Wightman (Director of Housing) and Lee Witham (Director of People Services).

1 MEMBERSHIP

- 1.1 There were no changes to Membership.
- 1.2 The Chairman welcomed Councillor Elizabeth Hitchcock to the Committee.

2 DECLARATIONS OF INTEREST

- 2.1 No declarations were made.

3 MINUTES

- 3.1 **RESOLVED:** That the Minutes of the meeting held on 10 July 2019 be agreed by the Committee as a correct record of proceedings.

4. FINANCE & PERFORMANCE BUSINESS PLAN MONITORING

4.1 Period 4 Finance Report 2019/20

- 4.1.1 Gerald Almeroth (Executive Director of Finance & Resources) and David Hodgkinson (Assistant City Treasurer) presented the Period 4 Finance Report, which provided details of the forecast outturn in respect of revenue and capita, together with a summary by Cabinet Portfolio of forecast variances, risks and opportunities.
- 4.1.2 The report projected a £0.133m overspend; with a variance increasing overspend to £0.632m if all risks and opportunities were realised. The report also projected an expenditure variance of £52.338m by year-end; and income variance of £8.616m resulting in a net variance of £43.722m. The Housing Revenue Account (HRA) revenue forecast was for an overall net surplus of £9.252m, which represented a shortfall of £0.541m against budget. The forecast gross capital expenditure outturn for the HRA at the end of Period 4 was £148.524m, resulting in a total variance of £1.331m compared to the budget of £149.854m.
- 4.1.3 Variances, risks and opportunities within Cabinet Portfolios continued to be monitored closely as the year progressed. In the Deputy Leader's portfolio, parking revenue remained volatile with a £1.2m under recovery of parking suspensions; and Finance & Resources were reporting a £900,000 underspend due to increased treasury balances. Fortuitous budget variances changed over time, and that there were currently no concerns in the robustness of the City Council's budget. The Committee noted that a forecast overspend due to under recovery of income relating to non-dwelling properties related to garages on estates.
- 4.1.4 The Committee discussed parking suspensions, and Sara Sutton (Executive Director of City Management & Communities) confirmed that it was difficult to forecast future trends due to changeable external factors. Although the introduction of the Lower Emissions Zone and roll-out of the digital surcharge on parking income were being tracked, the impact was yet to be assessed.
- 4.1.5 The level of placements in Adult Social Care had been lower than forecast, and it was anticipated that seasonal and demographic pressures and increasing complexity of service users would be met from within existing resources. Committee Members recognised that seasonal issues were difficult to predict and could put more pressure on hospitals.
- 4.1.6 The Committee noted that 11 schools in Westminster had been in deficit this year compared to 8 in 2018. Andrew Tagg (Director of Operations & Management) confirmed that this had been due to the fall in pupil numbers, especially in the primary sector; and that the reduction of 460 pupils had equated to a loss of £2.3m in funding for the schools affected. Actions being taken to mitigate the deficit included schools working in federation with a shared head teacher and management structure; and working with the Schools Forum. Funding for schools in deficit was available from reserves allocated by the City Council, and could be released if supported by a robust business case. Data suggested that pupil numbers were beginning to stabilise, and the next pupil

count in October would provide more up to date information. Schools and governing bodies also received training in managing financial resources.

4.1.7 Other issues discussed included the risks associated with the Oxford Street Project and delays in procurement; and ongoing discussions with the Clinical Commissioning Group on their contribution towards the Better Care Fund.

4.1.8 **RESOLVED:** That the Period 4 Monitoring Report be noted.

4.2. Quarter 1 Performance Report.

4.2.1 Julia Corkey (Executive Director of Policy, Performance & Communications) presented the Quarter 1 Performance Report, which summarised the City Council's performance at the end of the first quarter of the 2019/20 financial year against City for All priorities. The report also set out progress towards achieving the deliverables and targets within departmental business plans; and provided commentary in respect of outstanding and poor performance, providing details of remedial actions where appropriate.

4.2.2 The Committee noted that instances of knife crime in Westminster had risen by 36% over the past year from 704 to 1000, and asked whether it was anticipated that this trend would continue. Sara Sutton (Executive Director of City Management & Communities) confirmed that the figure included instances of possession following Police activity such as stop and search. The City Council continued to work closely with communities, partner agencies and the voluntary sector in seeking to reduce knife crime; and in promoting initiatives for young people which included sports centres and enrichment programmes such as the City Lions. The Committee asked to receive a copy of the report on activity by the Police and City Council to stop knife crime, which had been submitted to the City Management & Public Protection Policy & Scrutiny Committee.

4.2.3 The Committee discussed the increasing number of school exclusions, and whether school exclusions diverted resources from knife crime. Andrew Tagg (Director of Operations & Management) confirmed that a pilot scheme with secondary schools which related to exclusions was ongoing; and that a successful alternative provision for short and fixed term exclusions had resulted in a high rate of children re-integrating back into schools. The City Council was monitoring risk, together with the measures that schools could take to keep children in school. Although the number of exclusions in Westminster's Primary schools was below the national average, there had been a significant spike in secondary schools which had led to the measures being put in place.

4.2.4 A Robbery Team created specifically by the Police to tackle organised robbery in Westminster had reduced a list of 90 identified offenders almost by half. Members noted that a knife amnesty had been included in Operation Sceptre, which was a week-long national campaign staged twice a year to reduce knife crime; and that the Leader of the City Council had hosted a summit with London Councils on the response to county lines in London

4.2.5 The Committee discussed the financial liability and increasing risk of the breach and misuse of data, and noted that recent costs awarded against local

government had ranged between £100k and £200k. Gerald Almeroth (Executive Director of Finance & Resources) commented that the larger fines had generally been imposed where companies had been negligent in looking after data, or had not provided the proper training or right kind of security. The Committee noted that contractors who handled IT on Westminster's behalf were responsible for the security of data.

- 4.2.6 The Committee discussed how the profile for Social Value contracts would be measured, and Barbara Brownlee (Executive Director of Growth, Planning & Housing) agreed to provide Members with details of the range of criteria and individual skill sets that were taken into account.
- 4.2.7 The City Council was considering proposals for different types of scheme for buskers and street entertainers in different locations, which included public space protection orders and an element of licensing. Although the introduction of the scheme was off-track, it was in the final stages of development and the Committee would be informed when it was ready for implementation.
- 4.2.8 Committee Members commented on the shortfall in the number of trees planted in Westminster, and noted that although a commitment had been made to plant 3000 trees by 2020, 327 had been planted at the end of 2018/19. Barbara Brownlee and Sara Sutton acknowledged that the original target would not be met, but confirmed that as many would be planted as possible together with other forms of street greening. A new target would be set as part of an investment plan that was being developed by the City Council for delivering street greening.
- 4.2.9 Committee Members noted that the target for less than 4% of calls being abandoned by Agylasis was off-track, and Julia Corkey confirmed that performance had now improved.
- 4.2.10 Other issues discussed included the City Council's financial obligations in view of the fragility of the adult care market; the potential impact of Brexit on EEA nationals employed by Veolia; and the management plan for the Oxford Street Project and ongoing problems of organised crime in Edgware Road.
- 4.2.11 The Committee made a number of requests for further information.
- 4.2.7 **RESOLVED:** That the Period 1 Performance Report for 2019/20 be noted.

ACTIONS:

1. Committee Members to receive the report on knife crime that was submitted to the City Management & Public Protection Policy & Scrutiny Committee on 10 September. **(Action for Sara Sutton - Executive Director of City Management & Communities)**
2. Committee Members to receive details of the policy on Social Value contracts requests. **(Action for Gerald Almeroth - Executive Director of Finance & Resources)**

3. A report on the performance of the Basic Command Unit for Westminster, including Key Performance Indicators, to be included in the Committee Work Programme for the next meeting on 27 November. **(Action for Sara Sutton - Executive Director of City Management & Communities)**
4. Details to be provided of the reasons performance of the Agilysys customer service contract was off-target in Quarter 1; together with an explanation of any issues remaining in Quarter 2. **(Action for Julia Corkey - Executive Director of Policy, Performance & Communications)**
5. A deliverable target for tree planting in Westminster to be established; together with general infrastructure greening. **(Action for Sara Sutton - Executive Director of City Management & Communities)**
6. Details to be provided of how Children's Services are managing the finance and restructure of schools in response to school budgets and deficits. **(Action for Andrew Tagg - Director of Operations & Management)**
7. Analysis to be provided of the financial pressures on Adult Social Care and the implications for the City Council. **(Action for Gerald Almeroth - Executive Director of Finance & Resources)**
8. Analysis to be provide of the underlying reasons for the increase in fixed-term exclusions; including a breakdown of the reasons for exclusion; schools; age groups; and any other characteristics available. **(Action for Sarah Newman – Bi-Borough Executive Director of Children's Services)**

5. WESTMINSTER HOUSING SERVICE UPDATE

- 5.1 Neil Wightman (Director of Housing) and Jim Paterson (Director of Property Services) presented an overview of the standards and delivery of improvements in the Housing Service, following the transition to the City Council in April. Targets had been benchmarked against high performing London boroughs and set prior to the service returning in-house, and had required an improvement on previous performance levels. Call Centres were performing well, with 80% of calls being answered within 30 seconds against the corporate target of 70%. The City Council's commitment to providing residents with local, face to face services had been demonstrated by the introduction of the Westminster on Wheels initiative. It was reported that since being introduced, over 1000 residents had engaged with the mobile surgery with 95% being satisfied with the new service.
- 5.2 A new Director of Housing appointed at the end of May had set out five key priorities for Westminster's Housing Service. These sought to:
 - Improve the responsiveness and quality of the repairs service and major works;
 - Provide a better service for leaseholders, particularly in relation to major works;

- Support vulnerable residents;
- Develop a local offer and increase resident involvement; and
- Prevent homelessness.

The Housing Service was working towards an October launch date for a number of significant improvements, which included billing and service charges.

- 5.3 Neil Whitman reported that 65% of tenants had been satisfied with major works; and that targets tended to be fixed seeking an improvement on the previous year's performance. The Housing Service would also set targets following benchmarking against other London Boroughs with similar stock.
- 5.4 The Housing Service recognised Anti-Social Behaviour (ASB) was a significant issue, and tenants often had to be taken to court several times before a Suspension Order could be obtained. The Committee noted that prospective tenants who were known to be involved in ASB or criminal activity would be investigated before being allocated a property. If nothing was known about the applicant, the Housing Service would follow the normal choice-based letting procedure. Members suggested that residents were not confident that ASB and criminality were being properly dealt with, and Neil Whiting acknowledged that some behaviours and cultural issues needed to change. The Committee agreed that more resources should be allocated to the recovery of properties following tenancy fraud and sub-letting.
- 5.5 The Committee discussed circumstances in which tenants could be evicted, and noted that there was no direct correlation between eviction and debt. The Housing Service recognised that rent arrears were usually caused by external factors, so tried to help manage individual debtors on a case by case basis with a plan to solve the situation and get payments starting again.
- 5.6 Barbara Brownlee (Executive Director of Growth, Planning & Housing) reported that the leadership team for the Housing Service had changed, and that measures to remove the previous gulf between leadership and front line service delivery was ongoing. It was also anticipated that working more closely with other departments in the City Council would enable the Housing Service to respond more effectively to vulnerable tenants or enforcement issues.
- 5.7 Committee Members highlighted the need to keep residents well informed of developments and changes; and for the Housing Service needed to be aware of the high number of properties that were located within streets.
- 5.8 **RESOLVED:** That the Westminster Housing Service update be noted.

6. HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME UPDATE

- 6.1 Neil Wightman (Director of Housing) presented a report on expenditure in the HRA Capital Programme under the three main categories of major works; regeneration; and other schemes such as self-financing acquisitions. Over the last 4 years, the year-end capital expenditure variance had been an underspend of between 29% and 39% when compared to the original approved gross expenditure budget. Actions taken to ensure variances were minimised where

possible had included the establishment of the Programme Management Office in the autumn of 2018/19, which aimed to be consistent and authoritative in reporting progress against agreed business targets; and to advise of strategic issues linked with delivery.

- 6.2 The forecast at Period 4 indicated a significantly lower projected level of slippage, although this needed to be considered in the context of being only a third of the way through the financial year. The Committee noted that in-year work such as re-profiling schemes which had been delayed, or deferring expenditure to future years, had been designed to reduce the year end variance where possible.
- 6.3 The Committee acknowledged that performance of the HRA Capital Programme and process for budgeting and delivering for major works had improved. Members commented on underspend on the housing regeneration budget, and noted that this was being addressed and was now on an upward trajectory. The Committee sought clarification on the forecast variation in major works for Fire Precautions, and Barbara Brownlee (Executive Director of Growth, Planning & Housing) agreed to provide a written response.
- 6.4 **RESOLVED:** That the HRA Capital Programme update be noted.

7. ANNUAL CONTRACTS REVIEW AND PROCUREMENT UPDATE

- 7.1 Jonathon Noble (Head of Procurement & Supply Chain) presented an overview of contracts performance for 2018/19, together with an update on the future of Procurement Services and proposed model.
- 7.2 The performance report provided an overview of the 85 contracts let during 2018/19, and on the 79 waivers that had been approved. Previous reports to the Committee had recognised that the current methodology for recording contract performance had not provided a true representation, and that one of the key areas of weakness had been data quality and completeness. This would be addressed by the implementation of the new contract management framework that would provide more meaningful data. The Committee noted that only 46-47% of third party spend had been reflected on the contract register, and that this had now risen to 58% with a target of 75% by December.
- 7.3 A review of procurement services had led to a number of recommendations for the future operating model and organisational structure for procurement, which included the development of a more integrated service that incorporated activity currently undertaken within adults and children's services. A new Director of Procurement post has been created, with opportunities being created for career progression; and from 1 October 2019, all procurement activity in Westminster would be brought together for the first time. An extensive program of work and training to implement the new arrangements would begin following staff consultation, and it was anticipated that the new service would be established from 1 April 2020.
- 7.4 Committee Members expressed concern over the number of contract waivers that had been awarded during the reporting period to a limited range of

providers, which could reduce opportunities for economies and innovation. Jonathon Noble confirmed that the waivers had been granted with current legislation, and that of the 263 contracts that had been awarded during the reporting period, 51 had been let without competition.

7.5 The Committee noted that the performance of the new service would be reviewed after the service had been operational for six, nine and twelve months with report back to the Committee.

7.6 **RESOLVED:** That the Annual Contracts Review and procurement update be noted.

8. INTERNAL AUDIT PROGRESS REPORT (APRIL TO JULY 2019/20)

8.1 David Hughes (Shared Services Director for Audit, Fraud, Risk & Insurance) and Moira Mackie (Senior Internal Audit Manager) submitted a report which set out the work carried out by the Council's Internal Audit service. Five audits had been completed between April and July 2019, in which internal control systems had been found to be generally effective. Of the five audits, three positive assurance reviews (substantial or satisfactory) had been issued; together with two limited assurance audits which related to cemeteries contract monitoring and health and safety compliance data in Growth Planning & Housing. Recommendations had been made in response to the two limited assurances, which were expected to be implemented by October and December respectively. Two follow up reviews completed since the last meeting had confirmed that 100% of the recommendations made had been fully implemented.

8.2 The Committee expressed concern over the key findings of the audit of health and safety compliance checks for residential properties, and noted that the audit had been undertaken before the transition to Westminster's Housing Service. David Hughes confirmed that the issues were being addressed, and that progress in implementing the action plan would be reported back to the Committee.

8.3 Other issues discussed included the audits of the Cemeteries contract and Certified Enforcement Agents.

8.4 **RESOLVED:** That the work of the Internal Audit service between April and July 2019 be noted.

9. INTERNAL AUDIT CHARTER

9.1 David Hughes (Shared Services Director for Audit, Fraud, Risk & Insurance) and Moira Mackie (Senior Internal Audit Manager) submitted the Internal Audit Charter for 2019. In accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), the Council had an Internal Audit Charter which was maintained by the Shared Services Director for Audit, Fraud, Risk & Insurance. The Charter was reviewed annually, and had recently been updated to include reference to the CIPFA Statement on the Role of the Head of Internal

Audit in Public Sector Organisations; and to reflect the appointment of the City Council's Executive Director of Finance & Resources during 2019.

9.2 **RESOLVED:** That the Internal Audit Charter for 2019 be noted.

10. INTEGRATED BUSINESS CENTRE (IBC) UPDATE

10.1 Dave Hodgkinson (Director of Corporate Finance & Property) and Lee Witham (Director of People Services) updated the Committee on the performance of the new Integrated Business Centre (IBC) solution, which had been delivered in partnership with Hampshire County Council to replace BT Managed Services. The deployment of the new system had been completed on time and on budget with minimal issues reported, and positive feedback had been received from across the organisation. Communications and engagement initiatives would continue to ensure that the IBC was fully embedded across the organisation; and support and guidance would continue to be made available to staff. Current key areas of focus included increasing HR self-serve transactions to 80%.

10.2 The stabilisation period initially planned to run from 1 January to 31 March 2019 had been extended, to enable improvements in performance metrics and continued monitoring. In light of the progress that had been made, a full performance report would be submitted to the next meeting of the Performance Board in October, with a view to the IBC progressing to the Business as Usual stage based on the performance data and stabilisation criteria.

10.3 The Committee noted that implementation of the new service had been supported by a collaborative approach across the City Council; and agreed that contracting with the public sector had resulted in a more effective cultural fit.

10.4 **RESOLVED:** That performance of the new Integrated Business Centre (IBC) be noted.

11. WORK PROGRAMME AND ACTION TRACKER

11.1 The Committee noted the items that were on its Work Programme for the next meeting on 27 November; together with the action taken in response to issues raised at the last meeting.

11.2 **RESOLVED:** That the Committee Work Programme be noted.

The meeting ended at 8.30 pm.

CHAIRMAN: _____

DATE: _____

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The Annual Audit Letter for Westminster City Council

Year ended 31 March 2019

19 August 2019

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Agenda Item 4

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Section

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2. Audit of the Financial Statements
3. Value for Money conclusion

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Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Westminster City Council (the Council) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit and Performance Committee as those charged with governance in our Audit Findings Report on 17 June 2019.

Our work

Materiality

We determined materiality for the audit of the Council's financial statements to be £19,800,000, which is approximately 1.95% of the Council's gross revenue expenditure.

Financial Statements opinion

We gave an unqualified opinion on the Council's financial statements on 18 July 2019.

Whole of Government Accounts (WGA)

At the date of issuing our Annual Audit Letter, our work on the Council's Whole of Government Accounts Return is ongoing, however it will be completed by the mid-September deadline.

Use of statutory powers

We did not identify any matters which required us to exercise our additional statutory powers.

Respective responsibilities

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

Our key responsibilities are to:

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

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

Executive Summary

Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 18 July 2019.
Certification of Grants	We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by the end of November 2019. We will report the results of this work to the Audit and Performance Committee separately.
Certificate	We are unable to certify that we have completed the audit of the financial statements of Westminster City Council until we complete our work on the WGA Return, as mentioned on the previous page.

Working with the Council

During the year we have delivered a number of successful outcomes with you:

- A thorough audit – we delivered the financial statements before the deadline, releasing your finance team for other work.
- Understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness.
- Sharing our insight – we provided regular Audit and Performance Committee updates covering best practice. We also shared our thought leadership reports
- Providing training – we provided your teams with training on financial statements and annual reporting.

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

Grant Thornton UK LLP
August 2019

Audit of the Financial Statements

Our audit approach

Materiality

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

We determined materiality for the audit of the Council's financial statements to be £19,800,000, which is approximately 1.95% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year.

No specific other materiality levels were set during the course of our audit.

We set a lower threshold of £990,000, above which we reported errors to the Audit and Performance Committee in our Audit Findings Report.

The scope of our audit

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

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

We have undertaken additional testing on Property Plant and Equipment, Pensions Liability and on the ledger transfer in which is detailed on pages 6 to 8 and page 14.

We also read the remainder of the financial statements and Annual Governance Statement published alongside the financial statements to check it is consistent with our understanding of the Council and with the financial statements on which we gave our opinion.

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

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

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

Audit of the Financial Statements

Significant Audit Risks

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

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of internal controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We identified management override of controls as a risk requiring special audit consideration</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 20</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals; analysed the journals listing and determined the criteria for selecting high risk unusual journals; tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; gained an understanding of the accounting estimates and critical judgements applied and made by management and considered their reasonableness with regard to corroborative evidence; and evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. 	<p>No issues were identified from the work performed in this area.</p>
<p>Incomplete or inaccurate financial information transferred to the new general ledger</p> <p>In December 2018, the Council implemented a new general ledger system. When implementing a new significant accounting system, it is important to ensure that sufficient controls have been designed and operate to ensure the integrity of the data. There is also a risk over the completeness and accuracy of the data transfer from the previous ledger system.</p> <p>We therefore identified the completeness and accuracy of the transfer of financial information to the new general ledger system as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> reviewed the Council's arrangements and controls over the transfer of data from the old system to the new system, and the controls over the completeness and accuracy of data transferred; mapped the closing balances from the redundant general ledger (Agresso) to the opening balance position in the new ledger (SAP) to assess accuracy and completeness of the financial information; and completed an information technology (IT) environment review to document, evaluated and tested the IT controls operating within the new general ledger system. 	<p>No issues were identified in relation to the transfer of balances to the new ledger. The finance team experienced delays when preparing the accounts on the new ledger, due to unfamiliarity with the new reporting mechanisms. This has led to some delays in the audit and more misstatements being identified this year during the audit.</p>

Audit of the Financial Statements

Significant Audit Risks

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

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of land and buildings</p> <p>The Council revalue land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value (or fair value for surplus and investment assets) at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management have engaged the services of a valuer to estimate the appropriate values as at 31 March 2019.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuations were carried out; challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; tested, on a sample basis, revaluations of the Council's operational properties, investment properties, and HRA properties during the year to ensure they have been input correctly into the Council's asset register and financial statements; and evaluated the assumptions made by management for any assets not revalued at 31 March 2019, including those in the HRA, and how management has satisfied themselves that the carrying value of these assets in the balance sheet is not materially different to their current value. 	<p>Our audit work identified the potential for a material movement in the valuation of the Council's HRA properties between the valuation date of 1 April 2018 and the balance sheet date and regulatory requirements require us to assess whether or not HRA values are fairly stated at 31 March 2019. The Council's valuer confirmed that, based on available indices, a valuation at 31 March 2019 would have been approximately £85.6m lower than that on 1 April 2018. The Council have therefore adjusted the financial statements to include this lower valuation to ensure that the balance sheet is not materially misstated.</p> <p>During our work on the movement in the Council's HRA balances, we noted that the Council estimate the value of the land element of the HRA for the purposes of depreciation. The estimate used has remained the same for a number of years, with no formal reassessment. We are satisfied that there is not a risk of material misstatement as a result of this, but have raised a recommendation that management reconsider this estimate during 2019/20.</p> <p>Work performed on the Council's revaluations identified that revaluations provided by the valuer were incorrectly processed by the Council, leading to an understatement of the total gain on revaluations. In addition, we noted that the Council had not considered enhancements made to buildings during the year when calculating gains on revaluations.</p> <p>The Council reclassified a number of assets between operational properties and investment properties during 2018/19.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

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

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of Pension Fund net liability</p> <p>The Council's pension fund net liability, as reflected in the balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and group accounts.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • assessed the accuracy and completeness of the information provided to the actuary to estimate the liability; • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and • confirmed the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within that report. 	<p>The Council initially provided us with pension disclosures that were based on IAS19 valuations at 28 February 2019. These were subsequently revised based on the valuation at 31 March 2019, resulting in adjustments to the financial statements.</p> <p>The Court of Appeal ruled in December 2018 that there was age discrimination in the judges and firefighters pension schemes where there were transitional protections given to scheme members. This issue is also relevant to other public sector schemes such as as the Local Government Pension Scheme.</p> <p>The Government's application to the Supreme Court for permission to appeal was rejected in June 2019. As a consequence of the ruling, which occurred during the audit period in June, the council were requested to review their accounting treatment for McCloud. It was at this point the Council commissioned their actuary to provide an estimate of the impact on the Council's IAS19 estimate. As the estimate provided by the actuary was a potential increase in the pension liability of £8.3m which is below materiality, the Council decided not to amend their accounts.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

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

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Appeals Provision for National Non-Domestic Rates (Business Rates)</p> <p>The Council's provision for business rates appeals remains the largest in the country and is a highly material balance in the financial statements. The provision is based on significant judgements made by management and uses a complex estimation technique to prepare the provision.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none">• monitored how the appeals process is affecting the Council and considered any changes in the methodology used to calculate the provision;• identified the controls put in place by management to ensure that the appeals provision is not materially misstated, and assessed whether these controls were implemented as expected;• reviewed the assumptions made by management and the processes used in calculating the estimate;• tested the Council's calculation and agreed it to relevant supporting documentation; and• reviewed the disclosures made by the Council in the financial statements.	<p>No issues were identified from the work performed in this area.</p>

Audit of the Pension Fund Financial Statements

Pension Fund Significant Audit Risks

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

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of level 3 investments</p> <p>By their nature, Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (£77 million) and the sensitivity of this estimate to changes in key assumptions</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilise the services of investment managers as valuation experts to estimate the fair value as at 31 March 2019.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> gained an understanding of the Fund’s process for valuing level 3 investments and evaluated the design of the associated controls; reviewed the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investment; independently verified the Hermes Property Unit Trust valuation to independent market data; reviewed the custodian independent valuation of Hermes Property Unit Trust; considered the competence, expertise and objectivity of any management experts used; verified the investment balances to the fund manager and custodian reports; and ensured the Pantheon valuation is currently held at cost as per the critical judgement in the Council’s accounting policies. 	<p>No issues were identified from the work performed in this area.</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 18 July 2019.

Preparation of the financial statements

The Council's audit was not as smooth as in previous years, and there has been a significant impact on the delivery of our work. The finance team experienced delays when preparing the accounts, due to unfamiliarity with the new ledger system, and the audit team were not provided with financial statements until 16 April 2019.

We consider that the accounts presented for audit were, in the context of the new ledger implementation, not of the same standard as previous years and contained a significant number of errors and inconsistencies, which delayed our sampling and testing in a number of areas.

The Council subsequently corrected the misstatements identified during the audit process. A revised timetable for the 2019-20 audit process is currently being agreed with management.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit and Performance Committee on 17 June 2019. The key adjustments were reported within the Audit Findings Report presented to this Committee.

Annual Governance Statement and Narrative Report

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

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Pension fund accounts

We gave an unqualified opinion on the pension fund accounts of the Westminster City Council Pension Fund on 18 July 2019 as well. We also reported the key issues from our audit of the pension fund accounts to the Council's Audit and Performance Committee on 2 May 2019.

Whole of Government Accounts (WGA)

At the date of issuing our Annual Audit Letter our work in this area is still outstanding, however this will be completed by the statutory deadline, which is in mid September.

Certificate of closure of the audit

We are unable to certify that we have completed the audit of the financial statements of Westminster City Council until we complete our work on the WGA Return, as mentioned above.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

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

Key findings

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

The risks we identified and the work we performed are set out overleaf.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Exit from the EU</p> <p>At the time of our planning and risk assessment, the UK was due to leave the European Union on 29 March. When Britain exits the EU, there will be national and local implications that will impact on the Council, which the Council will need to plan for.</p>	<p>We have reviewed the Council's arrangements and plans to mitigate any risks on Brexit.</p> <p>Our review focussed on areas such as workforce planning, supply chain analysis and impacts on finances including investment and borrowing as well as any potential impact on the valuation of the Council's assets.</p>	<p>At the time of writing the Audit Plan the UK was due to exit from the EU on 31 March 2019. Brexit has been delayed with a revised date of 31 October 2019 so the risk has not materialised within the period covered by this report.</p> <p>The Council has established an EU Exit Strategic Board which meets to discuss Brexit related issues that could impact upon the Council, members of the board include Executive Director of City Management and Communities (chair), Director of Corporate Finance and Property, business continuity representatives and relevant service heads. The group reports to the Pan London Brexit group on a monthly basis.</p> <p>The Council has also established an monitors an EU Brexit risk register. We have reviewed the register and it covers the following expected areas :</p> <ul style="list-style-type: none"> • Workforce • Citizens rights • Community cohesion • Economic risks • Supply Chains • Elections • IT <p>Associated risks and opportunities are described and risk rated based on likelihood and impact resulting in an overall score and risk mitigations and actions to take forward. The register is regularly reviewed and updated by the EU Strategic Board. In addition, the Council is monitoring Performance Indicators for tracking Brexit Impacts in Westminster.</p> <p>The Council has set up and advice service helpline to assist EU nationals living in Westminster who are worried about their status in the run up to Brexit. The Council's website also provides helpful links to where residents and businesses can get the most up to date advice including government's official source for a wide-range of information for residents and businesses about the UK leaving the EU</p> <p>The Council has established arrangements to analyse and mitigate any potential risks/opportunities resulting from Brexit.</p>

A. Reports issued and fees

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

Reports issued

Report	Date issued
Audit Plan	December 2018
Audit Findings Report	June 2019
Annual Audit Letter	August 2019

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	Planned fees £	Actual fees £	2017/18 fees £
Statutory audit	143,004	158,204	185,719
Audit of Pension Fund	16,170	16,170	21,000
Housing Benefit Grant Certification	22,410	TBC	22,410
Total fees	181,584	TBC	229,129

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £143,004 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Also given we are yet to commence our work on the Certification of the Council's Housing Benefit Return, we are currently unable to confirm whether any additional fees will be charged in respect of this work

Additional Fees proposed

Area	Reason	Fee proposed
Assessing the impact of the McCloud ruling – Main Accounts	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	£2.4k
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	£1.6k
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this.	£2.4k
Implementation of the new ledger	In December 2018, the Council implemented a new general ledger system. Due to the change in ledger system we are required to undertake more work in respect of ensuring the accuracy and transfer of data from the old to new ledger is accurate and complete across the Council and Pension fund.	£4k
Delays during the audit process	As reported in our audit findings report, the finance team experienced delays when preparing the accounts, due to unfamiliarity with the new ledger system, and we did not receive financial statements until 16 April 2019. We consider that the accounts presented for audit were, in the context of the new ledger implementation, not of the same standard as previous years and contained a significant number of errors and inconsistencies, which delayed our sampling and testing in a number of areas which meant we had to bring in additional resources during our peak period.	£4.8
Total		£15.2k

A. Reports issued and fees (continued)

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

Fees for non-audit services

Service	Fees £
Audit related services	
• Certification of Housing Capital Receipts Grant	TBC
• Certification of Teachers Pensions Return	TBC
Non-Audit related services	
• CFO Insights Subscription	12,500

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Non-audit services

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

The non-audit services listed are consistent with the Council's policy on the allotment of non-audit work to your auditor.

Our commitment to our local government clients

- Senior level investment
- Local presence enhancing our responsiveness, agility and flexibility.
- High quality audit delivery
- Collaborative working across the public sector
- Wider connections across the public sector economy, including with health and other local government bodies
- Investment in Health and Wellbeing, Social Value and the Vibrant Economy
- Sharing of best practice and our thought leadership.
- Invitations to training events locally and regionally – bespoke training for emerging issues
- Further investment in data analytics and informatics to keep our knowledge of the areas up to date and to assist in designing a fully tailored audit approach

Our relationship with our clients– why are we best placed?

- We work closely with our clients to ensure that we understand their financial challenges, performance and future strategy.
- We deliver robust, pragmatic and timely financial statements and Value for Money audits
- We have an open, two way dialogue with clients that support improvements in arrangements and the audit process
- Feedback meetings tell us that our clients are pleased with the service we deliver. We are not complacent and will continue to improve further
- Our locally based, experienced teams have a commitment to both our clients and the wider public sector
- We are a Firm that specialises in Local Government, Health and Social Care, and Cross Sector working, with over 25 Key Audit Partners, the most public sector specialist Engagement Leads of any firm
- We have strong relationships with CIPFA, SOLACE, the Society of Municipal Treasurers, the Association of Directors of Adult Social Care and others.

New opportunities and challenges for your community

The Local Government economy

Local authorities face unprecedented challenges including:

- Financial Sustainability – addressing funding gaps and balancing needs against resources
- Service Sustainability – Adult Social Care funding gaps and pressure on Education, Housing, Transport
- Transformation – new models of delivery, greater emphasis on partnerships, more focus on economic development
- Technology – cyber security and risk management

At a wider level, the political environment remains complex:

- The government continues its negotiation with the EU over Brexit, and future arrangements remain uncertain.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will keep you informed of changes to the financial reporting requirements for 2019/20 through on-going discussions and invitations to our technical update workshops.

Delivering real value through:

- Early advice on technical accounting issues, providing certainty of accounting treatments, future financial planning implications and resulting in draft statements that are 'right first time'
- Knowledge and expertise in all matters local government, including local objections and challenge, where we have an unrivalled depth of expertise.
- Early engagement on issues, especially on ADMs, housing delivery changes, Children services and Adult Social Care restructuring, partnership working with the NHS, inter authority agreements, governance and financial reporting
- Implementation of our recommendations have resulted in demonstrable improvements in your underlying arrangements, for example accounting for unique assets, financial management, reporting and governance, and tax implications for the Cornwall Council companies
- Robust but pragmatic challenge – seeking early liaison on issues, and having the difficult conversations early to ensure a 'no surprises' approach – always doing the right thing
- Providing regional training and networking opportunities for your teams on technical accounting issues and developments and changes to Annual Reporting requirements
- An efficient audit approach, providing tangible benefits, such as releasing finance staff earlier and prompt resolution of issues.

Grant Thornton in Local Government

Our client base and delivery



- We are the largest supplier of external audit services to local government
- We audit over 150 local government clients
- We signed 95% of our local government opinions in 2017/18 by 31 July
- In our latest independent client service review, we consistently score 9/10 or above. Clients value our strong interaction, our local knowledge and wealth of expertise.

Our connections



- We are well connected to MHCLG, the NAO and key local government networks
- We work with CIPFA, Think Tanks and legal firms to develop workshops and good practice
- We have a strong presence across all parts of local government including blue light services
- We provide thought leadership, seminars and training to support our clients and to provide solutions

Our people



- We have over 25 engagement leads accredited by ICAEW, and over 250 public sector specialists
- We provide technical and personal development training
- We employ over 80 Public Sector trainee accountants

Our quality



- Our audit approach complies with the NAO's Code of Audit Practice, and International Standards on Auditing
- We are fully compliant with ethical standards
- Your audit team has passed all quality inspections including QAD and AQRT

Our technical support



- We have specialist leads for Public Sector Audit quality and technical
- We provide national technical guidance on emerging auditing, financial reporting and ethical areas
- Specialist audit software is used to deliver maximum efficiencies



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External Audit Reform

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Agenda Item 5

'Crisis' in confidence in audit

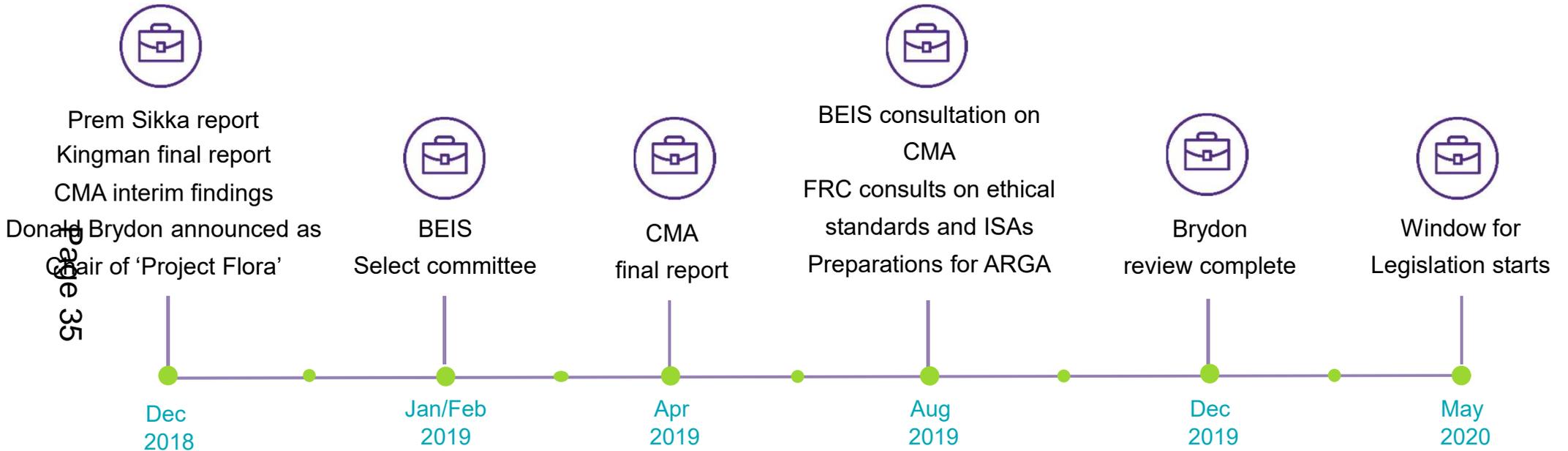


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Regulators, Stakeholders, Government, Media, all want to see change

The UK review programme – corporate audit



But change is already happening

In the public sector ...

What did the Audit Commission ever do for us?

- Delivered audits
- Set the Code of Audit Practice
- Set fees
- Mandated work
- Regulated quality



Local Authority audit in a Pickle(s)

Abolition of the Audit Commission	August 2010
Outsourcing the Commission's audit practice	February 2012 – October 2012
Local Audit and Accountability Act (LAAA)	2014
Transitional arrangements needed as Audit Commission closes and Public Sector Audit Appointments Ltd (PSAA) created by LGA	May 2015
Transitional arrangements apply	2015-2019
Appointed Person's Regulations	2015
Full impact of LAAA	Summer 2019

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Early close

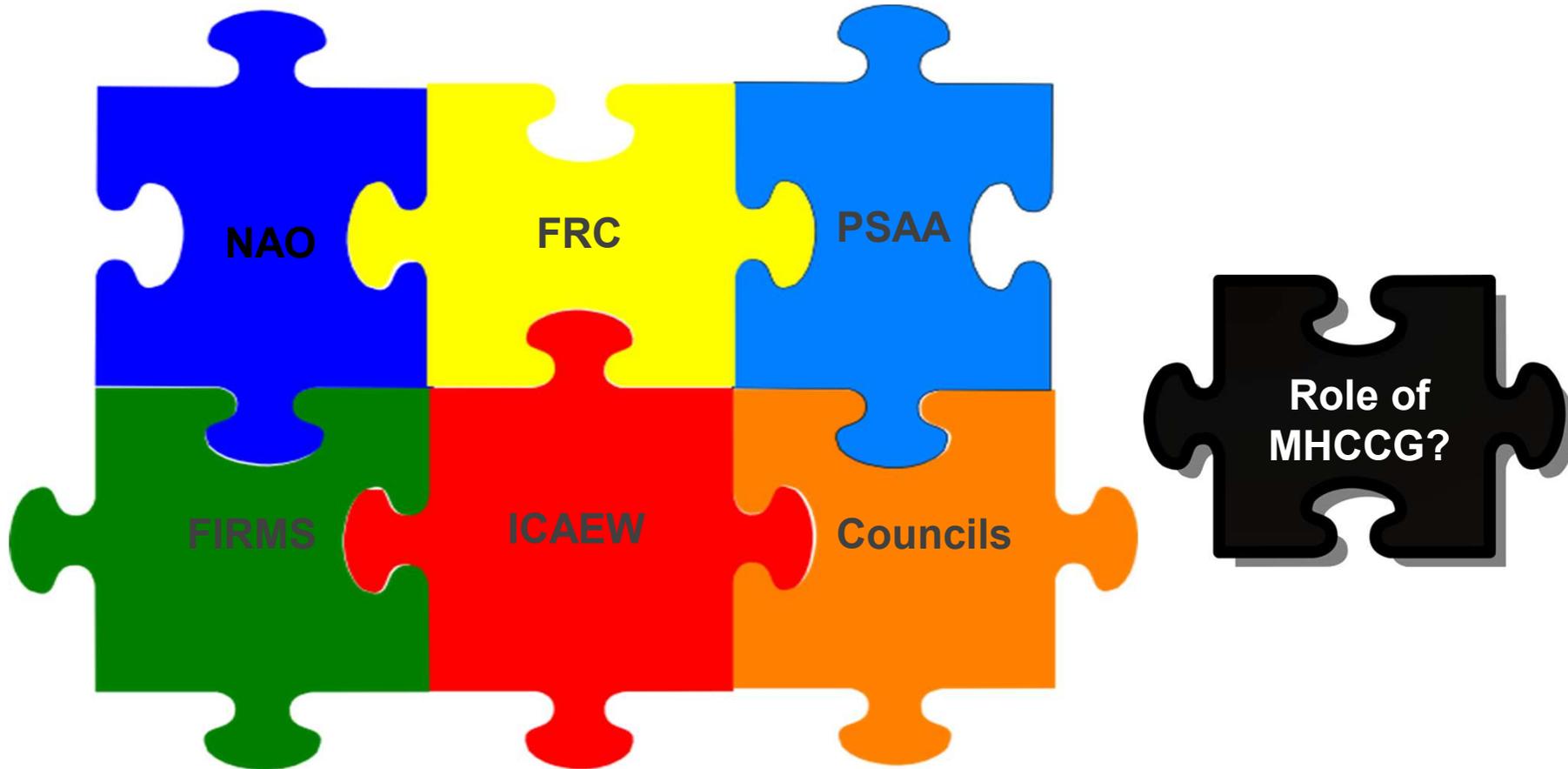
Accounts and Audit Regulations

Draft Accounts	30 June	→	31 May
Published Accounts	30 September	→	31 July
Audited Accounts <u>target</u>	30 September	→	31 July

Full effect from Summer 2018

Responsibilities under the Act

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2019 Summer of discontent

- Over 40% audits not signed at 31 July
- More work = fee variations
- Accounts preparation and quality slippage
- Retention of audit teams under strain

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The position is not sustainable

Redmond to the rescue

“A robust local audit system is absolutely pivotal to work on oversight, not just because it reinforces confidence in financial reporting but also service delivery and ultimately, our faith in local democracy”.

James Brokenshire

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Review to cover: reporting, governance, audit quality and scope. Focus on users and sustainability.

If I had a magic wand ...

- ✓ Simplify accounts
- ✓ Redesign VFM audit
- ✓ De-couple accounts and VFM work
- ✓ Agree delivery plan up to 30 September
- ✓ Appropriate not excessive fees
- ✓ Clarify system leadership
- ✓ Tailored regulation



Redmond – are you responding?



Questions and comments



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Audit Progress Report and Sector Update

Westminster City Council
Year ending 31 March 2020

Page 47
25 October 2019



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Introduction



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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)

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.

Progress at 25 October 2019

Financial Statements Audit

We issued our opinion on your 2018/19 Statement of Accounts on 18 July 2019. We have since completed our work on the Whole of Government Accounts consolidation pack and issued our audit closure certificate on 13 September 2019.

We will begin our planning for the 2019/20 audit in November 2019 and will issue a detailed audit plan, setting out our proposed approach to the audit of the Council's 2019/20 financial statements which we will present to the Audit and Performance Committee in February 2020.

We will begin our interim audit in December 2019 and top up our interim substantive testing covering January to February 2020 in March 2020. Our interim fieldwork includes:

- Updated review of the Council's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing

We will report our work in the Audit Findings Report to the May/June 2020 Audit and Performance Committee and issue our opinion by the statutory accounts publication date of 31 July 2020.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach will be included in our Audit Plan.

We will report our work in the Audit Findings Report and aim to give our Value For Money Conclusion by the statutory accounts publication date of 31 July 2020.

Progress at 25 October 2019 (Cont.)

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. The certification work for the 2018/19 is in progress and will be completed by the 30 November deadline. We will report our findings to the Audit and Performance Committee in our Certification Letter in February 2020.

Meetings

We met with Finance Officers in October as part of our monthly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also met with your Chief Executive in September 2019 to discuss the Council's strategic priorities and plans.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. Your officers will be invited to our Financial Reporting Workshop, which will help to ensure that members of your Finance Team are up to date with the latest financial reporting requirements for local authority accounts.

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 Fees

During 2017, PSAA awarded contracts for audit for a five year period beginning on 1 April 2018. 2019/20 is the second year of that contract. Since that time, there have been a number of developments within the accounting and audit profession. Across all sectors and firms, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Our work in the Local Government sector in 2018/19 has highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the "few improvements needed" (2A) rating means that additional audit work is required.

We are currently reviewing the impact of these changes on the timing and cost of audits. We will discuss this with you including any proposed variations to the Scale Fee set by PSAA Limited, before communicating fully with the Audit and Performance Committee in February 2020.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Audit Findings Report The Audit Findings Report was reported to the June Audit and Performance Committee.	June 2019	Complete
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Complete
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Complete
2019/20 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2019	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 2019-20 financial statements.	February 2020	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the May/June Audit and Performance Committee.	May/June 2020	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2020	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2020	Not yet due

Sector Update

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 by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local
government

CIPFA – CFO confidence survey

In July, the Chartered Institute of Public Finance and Accountancy (CIPFA) reported the results of their annual confidence survey.

The survey found that the majority of local government finance officers have lost confidence in their future financial positions over the last year.

Seventy per cent of respondents said they were either slightly less or much less confident in their financial position this year compared to 2018-19.

The survey also found that 68% said they were either slightly less or much less confident in their ability to deliver services in 2020-21. Sixty-two per cent expressed equal confidence in their financial position for 2019-20 as they had last year.

CIPFA found that the area of greatest pressure for top tier authorities was children's social care, with the number of authorities rating it as the biggest pressure rising by six percentage points.

For districts the greatest pressures were housing, cultural services and environmental services.

Rob Whiteman, CIPFA chief executive, said: "Local government is facing greater demand pressures than ever before, with particularly pressures in adults' and children's social care and housing. Local authorities also lack certainty about their future financial positions, so it's unsurprising to see confidence on the decline.

"We have repeatedly pointed out that local government is in need of a sustainable funding solution, but meeting this demand requires more than pennies and pounds. The sector as a whole must come together to address the challenges of effective service delivery."

CIPFA's survey received a total of 119 responses from authorities in the UK - 56 top tier authorities, 47 English districts, 12 Scottish authorities, and 4 Welsh authorities.



On the same theme, a Local Government Association (LGA) survey, also reported in July, found that almost two-thirds of councils believe cash for services like adult social care, child protection and preventing homelessness will dry up by 2024-25.

The survey got responses from 141 of the 339 LGA member councils in England and Wales.

It also found that 17% of councils were not confident of realising all of the savings they had identified this year (2019-20).

The LGA said that councils needed a guarantee they will have enough money to meet growing demand pressures in particular in adult social care, children's services, special educational needs, homelessness support and public health.



Financial confidence



Challenge question:

How confident over its' financial position is your Authority? Has this changed from previous years?

MHCLG – Independent probe into local government audit

In July, the then Communities secretary, James Brokenshire, announced the government is to examine local authority financial reporting and auditing.

At the CIPFA conference he told delegates the independent review will be headed up by Sir Tony Redmond, a former CIPFA president.

The government was “working towards improving its approach to local government oversight and support”, Brokenshire promised.

“A robust local audit system is absolutely pivotal to work on oversight, not just because it reinforces confidence in financial reporting but because it reinforces service delivery and, ultimately, our faith in local democracy,” he said.

“There are potentially far-reaching consequences when audits aren’t carried out properly and fail to detect significant problems.”

The review will look at the quality of local authority audits and whether they are highlighting when an organisation is in financial trouble early enough.

It will also look at whether the public has lost faith in auditors and whether the current audit arrangements for councils are still “fit for purpose”.

On the appointment of Redmond, CIPFA chief executive Rob Whiteman said: “Tony Redmond is uniquely placed to lead this vital review, which will be critical for determining future regulatory requirements.

“Local audit is crucial in providing assurance and accountability to the public, while helping to prevent financial and governance failure.”

He added: “This work will allow us to identify what is needed to make local audit as robust as possible, and how the audit function can meet the assurance needs, both now and in the future, of the sector as a whole.”

In the question and answer session following his speech, Brokenshire said he was not looking to bring back the Audit Commission, which appointed auditors to local bodies and was abolished in 2015. MHCLG note that auditing of local authorities was then taken over by the private, voluntary and not-for-profit sectors.

He explained he was “open minded”, but believed the Audit Commission was “of its time”.

Local authorities in England are responsible for 22% of total UK public sector expenditure so their accounts “must be of the highest level of transparency and quality”, the Ministry of Housing, Local Government and Communities said. The review will also look at how local authorities publish their annual accounts and if the financial reporting system is robust enough.

Redmond, who has also been a local authority treasurer and chief executive, is expected to report to the communities secretary with his initial recommendations in December 2019, with a final report published in March 2020. Redmond has also worked as a local government boundary commissioner and held the post of local government ombudsman.



National Audit Office – Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfill their statutory responsibilities under the Local Audit and Accountability Act 2014. 'Relevant authorities' are set out in Schedule 2 of the Act and include local councils, fire authorities, police and NHS bodies.

Local auditors must comply with the Code of Audit Practice.

Consultation – New Code of Audit Practice from 2020

Schedule 6 of the Act requires that the Code be reviewed, and revisions considered at least every five years. The current Code came into force on 1 April 2015, and the maximum five-year lifespan of the Code means it now needs to be reviewed and a new Code laid in Parliament in time for it to come in to force no later than 1 April 2020.

In order to determine what changes might be appropriate, the NAO is consulting on potential changes to the Code in two stages:

Stage 1 involves engagement with key stakeholders and public consultation on the issues that are considered to be relevant to the development of the Code.

This stage of the consultation is now closed. The NAO received a total of 41 responses to the consultation which included positive feedback on the two-stage approach to developing the Code that has been adopted. The NAO state that they have considered carefully the views of respondents in respect of the points drawn out from the [Issues paper](#) and this will inform the development of the draft Code. A summary of the responses received to the questions set out in the [Issues paper](#) can be found below.

[Local audit in England Code of Audit Practice – Consultation Response \(pdf – 256KB\)](#)

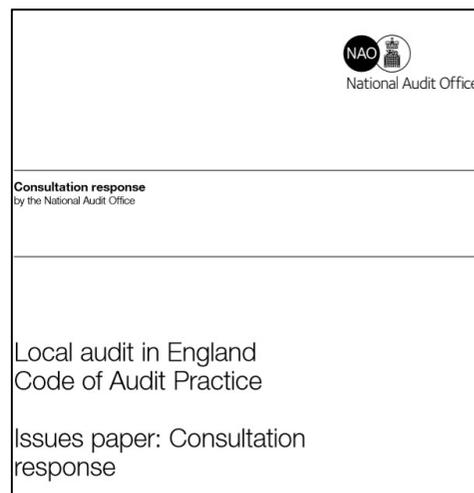
Stage 2 of the consultation involves consulting on the draft text of the new Code. To support stage 2, the NAO has published a consultation document, which highlights the key changes to each chapter of the draft Code. The most significant changes are in relation to the Value for Money arrangements. Rather than require auditors to focus on delivering an overall, binary, conclusion about whether or not proper arrangements were in place during the previous financial year, the draft Code requires auditors to issue a commentary on each of the criteria. This will allow auditors to tailor their commentaries to local circumstances. The Code proposes three specific criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

The consultation document and a copy of the draft Code can be found on the NAO website. The consultation is open until 22 November 2019. The new Code will apply from audits of local bodies' 2020-21 financial statements onwards.

Link to NAO webpage for the Code consultation:

<https://www.nao.org.uk/code-audit-practice/code-of-audit-practice-consultation/>



Local Government Association – Profit with a purpose – delivering social value through commercial activity

The Local Government Association (LGA) report 'Profit with a purpose' focuses on some of the practicalities of how councils can deliver social value through their commercial activity.

Through 'key questions' to ask, the guidance supports councils to face the challenge of how to undertake commercial activity and achieve greater value for the public purse in ways that better meet society's needs and outcomes for people and communities.

In addition, the publication features a number of short case studies highlighting some of the innovative commercial practice already achieving results for communities.

The LGA comments that the best approaches ensure the generation of social value is the primary factor driving commercial activity; from the initial decision to develop a commercial vision to how the approach is developed, and implemented, councils which are pulling ahead ensure social value is placed centre stage.

The guidance starts with an overview of what the LGA understands by 'profit with a purpose', the guidance explores different types of social value and the role of councils in driving social value alongside their commercial ambition.

The guidance then looks at how consideration and delivery of social value should be practically considered when deciding on whether to embark on commercial activity, the need for social value to be prioritised alongside financial return and the key questions councils should consider when embarking on a commercial initiative.

Following on from this, there are specific chapters on; embedding social value in governance of alternative service delivery vehicles, the role of procurement in contracting services that deliver social value and finally how to contract and performance manage social value through your service providers.

Each chapter outlines the factors that need to be considered and the 'key questions' councils should be asking themselves.

In addition, a number of short case studies are provided to highlight some of the innovative commercial practice already achieving results for communities.

The report can be downloaded from the LGA website:

<https://www.local.gov.uk/profit-purpose-delivering-social-value-through-commercial-activity>



Profit with a purpose

Delivering social value through commercial activity

Profit with a purpose



Challenge question:

If your Authority is looking at commercial activity, have you considered the LGA report?

MHCLG – Brexit preparations

Councils should be fully prepared to leave the European Union by the end of October, the Communities and Local Government Secretary announced on 3 August as he ramped up preparations.

Mr Jenrick thanked councils for all the work they have already done, but said they must step up vital preparations and committed £20 million for councils across England to prepare for delivering Brexit on 31 October, whatever the circumstances.

He has asked each council to designate a Brexit lead to work with central government and oversee teams in every community who will work with stakeholders in their area to plan intensively for Brexit.

The new funding comes in recognition of the central role councils will play to make sure their residents are ready for Brexit, and is expected to support a range of activity including communications, training and the recruitment of staff.



The Secretary of State said:

“From Whitehall to town halls – everyone needs to be ready to fulfil our democratic mandate to leave the European Union by the end of October.

Local government has a vital role in helping to make Brexit a success and it is absolutely right that together we intensify preparations in every community.

And to do this successfully I have asked every council to appoint a Brexit lead to work with government. We’ll be providing £20 million for councils to support the major step up in preparations.

I want all of us – central and local government – to be fully prepared for leaving the EU on 31 October whatever the circumstances. I know that we can achieve this, by continuing to work side by side with renewed national focus and intensity.”

Brexit preparations



Challenge question:

Who is your Brexit lead and how is your authority supporting Brexit preparations?

Public Accounts Committee – Local Government Governance and Accountability

The Public Accounts Committee has found that the Government has not done enough to ensure that, at a time when local authority budgets are under extreme pressure, governance systems are improved.

The Ministry of Housing, Communities & Local Government (the Department) is responsible for: ensuring that this framework contains the right checks and balances, and changing the system if necessary. The Secretary of State also has powers to intervene in cases of perceived governance failure. The framework includes: officers with statutory powers and responsibilities; internal checks and balances such as audit committees and internal audit; and external checks and balances such as external audit and sector-led improvement overseen by the Local Government Association. These arrangements represent a significant reduction in the level of central oversight in recent years following the government's decision to abolish the Audit Commission and the Standards Board for England as part of a broader reform of local audit, inspection and reporting.

The Public Accounts Committee report summary notes "Local authorities have a good overall track record with governance arrangements generally robust across the sector, and there is evidence that local authority governance compares favourably to that of the health sector. However, this is not universal and in some authorities governance is under strain, as funding reduces and responsibilities and exposure to commercial pressures change. We are worried to hear about audit committees that do not provide sufficient assurance, ineffective internal audit, weak arrangements for the management of risk in local authorities' commercial investments, and inadequate oversight and scrutiny. This is not acceptable in the more risky, complex and fast-moving environment in which local authorities now operate.

The Department has been reactive and ill-informed in its approach to oversight of the local governance system. However, the Department has now recognised that the network of bodies with responsibility for the local governance framework is fragmented and lacking the leadership needed to drive change. Encouragingly, the Department has now committed to enhancing its oversight role and producing a proactive work programme to deliver this change. We urge the Department to ensure that this activity leads to concrete actions and outcomes on a timely basis. When a local authority fails this has a significant impact on local people and the Department has a responsibility to work with local government to ensure that problems are caught early and that it can pinpoint at-risk councils. Since the abolition of the Audit Commission and other changes culminating in the Local Audit and Accountability Act 2014 there is no central assessment of value for the money, which means the Department's work is fundamental."

The report makes five conclusions, with associated recommendations:

- 1) The Department is not yet providing effective leadership of the local governance system.
- 2) The Department does not know why some local authorities are raising concerns that external audit is not meeting their needs.
- 3) The Department lacks reliable information on key governance risks, or relies on weak sources of information, meaning it has no way of pinpointing the at-risk councils.
- 4) The Department's monitoring is not focused on long-term risks to council finances and therefore to services.
- 5) There is a complete lack of transparency over both the Department's informal interventions in local authorities with financial or governance problems and the results of its formal interventions.

The Government response is available on the website below:

<https://www.parliament.uk/documents/commons-committees/public-accounts/Gov-response-to-Public-Accounts-on-the-93-98-reports.pdf>





Audit and Performance Committee Report

Meeting or Decision Maker:	Audit and Performance Committee
Date:	27 th November 2019
Classification:	General Release
Title:	Period 6 Finance Report
Key Decision:	Review and challenge officers on the contents of the report
Report of:	Gerald Almeroth, Executive Director of Finance and Resources.

1. Executive Summary

1.1 The Period 6 Performance Report presents detailed results for the period to September 2019 against the 2019/20 approved budget. The report provides explanations and commentary in respect of forecast variances to budget.

2. Recommendations

2.1 Committee notes the content of the report.

2.2 Committee indicate any areas of the report that require further investigation.

2.3 Committee highlights any new emerging risks that have not captured.

3 Reasons for Decision

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

4 Background, including Policy Context

4.1 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

- 1.1 The period 6 monthly Revenue Monitoring report projects a £1.088m underspend against budget with net risks of £0.727m. 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.
- 1.2 The period 6 monthly Capital Monitoring report projects an expenditure variance of £79.181m by year end and income variance of £28.930m resulting in a net variance of £50.251m.
- 1.3 At the end of period 6 the Housing Revenue Account is forecasting an overall surplus of £4.057m. This is an adverse variance of £5.736m compared to budget.
- 1.4 At the end of period 6, the forecast gross capital expenditure outturn for the HRA is £146.948m resulting in a total variance of £2.907m compared to the budget of £149.854m.

2. Revenue – Forecast Outturn

- 2.1 The period 6 monthly Revenue monitoring report projects a £1.088m underspend against budget with net risks of £1.816m. These continue to be monitored closely as the year progresses.
- 2.2 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	8.811	8.876	0.065	0.000	0.000	0.065
Deputy Leader, Environment and City Management	(16.574)	(15.974)	0.600	0.500	(0.650)	0.450
Customer Services and Digital	12.638	12.327	(0.311)	0.100	0.000	(0.211)
Economic Development, Education and Skills	7.135	7.831	0.696	0.263	0.000	0.959
	79.324	78.596	(0.728)	0.946	0.000	0.218
Family Services and Public Health						
Finance, Property and Regeneration	48.836	47.221	(1.615)	0.100	0.000	(1.515)
Housing Services	23.284	23.284	0.000	0.255	0.000	0.255
Deputy Leader Place Shaping and Planning	1.411	1.411	0.000	0.200	(0.250)	(0.050)
Public Protection and Licensing	9.218	9.218	0.000	0.000	0.000	0.000
Sports, Culture and Community	7.902	8.106	0.204	0.352	0.000	0.556
NET CONTROLLABLE BUDGET	181.984	180.895	(1.088)	2.716	(0.900)	0.727
Council Tax*	56.674	56.674	-			
Business Rates - Net of Tariff*	125.310	125.310	-			
CORPORATE FINANCING	181.984	181.984	0.000			
NET (SURPLUS) / DEFICIT	-	(1.088)	(1.088)			

Housing Services (Housing Revenue Account)	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)
(Housing Revenue Account)	(9.793)	(4.057)	5.736	-	(1.000)	4.736

2.3 Period 6 Forecast Outturn by Cabinet Portfolio

Leader of the Council (Councillor Nickie Aiken)

2.3.1 At the end of period 6, the portfolio is reporting an overspend of £0.065m against a £8.811m annual budget.

2.3.2 Some of the main drivers for the overspend are a one-off design fee to WestCo for £0.150m to support various campaigns and council initiatives, under recovery in

income target for events, filming and park hire of £0.350m and other net overspends of £0.122m. These are offset by underspends in the Policy and Projects service of £0.385m and careful management of staff costs across the portfolio of £0.172m.

2.3.3 No opportunities or risks are reported within this portfolio as at period 6.

Environment and City Management *(Councillor Tim Mitchell)*

2.3.4 At the end of period 6, the portfolio is reporting an overspend of £0.600m, an improvement of £0.600m since period 4.

2.3.5 The most significant improvement relates to Parking income shortfalls (£1.100m forecast under recovery). The forecast position on Parking has improved by £0.400m from period 4. This is mostly due to an increase in street enforcement activity in areas of low compliance, which will potentially generate additional Penalty Charge Notice (PCN) revenue. This forecast income shortfall is partially offset by the forecast over recovery of income for commercial waste (£0.300m) and roads management (£0.200m).

2.3.6 There is a risk of £0.500m still held against a potential downward turn in Suspensions income which is currently offsetting the under recovery in other income streams.

2.3.7 There is a reported opportunity of £0.650m within this portfolio. This comprises £0.450m from the City Highways service, which consists of road management income of £0.200m and £0.250m from the Parking Service; additionally the Waste and Parks service has an opportunity of £0.200m related to over recovery of commercial waste income.

Economic Development, Education and Skills *(Councillor Timothy Barnes)*

2.3.8 At the end of period 6, the portfolio is forecasting an overspend of £0.696m to the annual budget of £7.135m. The adverse variance in Education relates to increased activity, above that budgeted for, in relation to Short Breaks Respite Placements and Passenger Transport totalling £0.387m. The Education Service also has a pressure of £0.309m against the employees' budget.

2.3.9 There is a risk of £0.263m in the Education service owing to Passenger Transport activity pressure.

2.3.10 No opportunities reported at period 6.

Customer Service and Digital *(Councillor Paul Swaddle)*

2.3.11 At the end of period 6, the portfolio is now forecasting an underspend of £0.311m against a budget of £12.638m. Mainly driven by contract expenditure with Agilisys being less than budget by £0.160m and careful management of staff costs contributing £0.151m. The contract savings realised are due to the contract specifications being revised, and price reduction negotiated.

2.3.12 The portfolio has a reported risk of £0.100m at period 6 largely driven to using external contractors to support increased demands on the Information service.

2.3.13 No reported opportunities within this portfolio.

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

2.3.14 At the end of period 6, the portfolio is forecasting an underspend of £0.728m against a budget of £79.324m.

2.3.15 At the end of period 6, Adult Social Care is forecasting a £0.291m underspend against the core budget of £54.256m. This is after allocation of one-off funding received such as the Winter Pressures Funding of £1.323m and Improved Better Care Fund (iBCF) of £15.807m for 2019/20.

2.3.16 The Public Health (PH) service is reporting an overall nil variance. The service is fully-funded by a Department of Health (DoH) grant, in addition to the budgeted drawdown from the accumulated Public Health reserve. This is because the PH funding is ringfenced. The budget for 2019/20 includes an in year DoH grant of £30.425m plus £1.425m from the PH earmarked reserve. As at period 6, the amount required from the reserve has been forecast at £0.153m less than budgeted due to an underspend in commissioned services.

2.3.17 Most of the budgeted expenditure is commissioned from third party providers on block and activity driven contracts. The department regularly reviews and updates contract performances and spending patterns to identify current trends as and when more activity information is received.

2.3.18 Children's Services are forecasting an underspend of £0.437m. Further details are set out below.

2.3.19 The Tri-Borough Fostering & Adoption team are reporting an underspend of £0.240m due to vacant posts being held within service. This will be reviewed following the regionalised adoption service going live from quarter 3.

2.3.20 Placement spend within LAC and Leaving Care is reporting an underspend of £0.221m. An improved rate change for the Home Office grant is a key factor in the forecast underspend.

2.3.21 These underspends are being offset by some minor overspends of £0.024m within the Children's Commissioning and the Operations and Programmes services.

2.3.22 There is a reported risk of £0.946m mainly attributable to placement costs and staffing.

2.3.23 There are no reported opportunities within this portfolio at period 6.

Finance, Property and Regeneration (Councillor Rachael Robathan)

- 2.3.24 At the end of period 6, the portfolio is reporting an underspend of £1.615m against a budget of £48.836m.
- 2.3.25 This is primarily attributable to the £1.100m reported underspend from interest earning due to a further increase in average cash balances available for investment and yields being higher than the assumptions in the budget.
- 2.3.26 Projected reductions in cash balances in future years and the general uncertainty over future yields mean that this over recovery is expected to be one off rather than recurring.
- 2.3.27 Underspends of £0.540m are being reported in the Revenue and Benefits service relating to savings on their contracts now confirmed by their service providers.
- 2.3.28 Some other minor overspends in the Coroner's service of £0.025m offset the above underspends.
- 2.3.29 There is a reported risk of £0.100m within Legal Services, relating to an under recovery of the internal trading target of £0.100m to fully recover all Legal direct and indirect service costs.
- 2.3.30 No opportunities have been identified in period 6.

Housing Services – General Fund (Councillor Andrew Smith)

- 2.3.31 At the end of period 6, the portfolio is forecasting to a budget of £23.284m with a nil variance.
- 2.3.32 There is a reported risk of £0.255m within the Housing Operations service. £0.055m of prior year invoices have been charged within Rough Sleeping/Commissioned Support and £0.200m of staffing recharges from IT to the Homelessness contract, previously not charged, have been identified and are under review.
- 2.3.33 No opportunities identified in period 6.

Housing Services – Housing Revenue Account (HRA) (Councillor Andrew Smith)

- 2.3.34 At the end of period 6 the Housing Revenue Account is forecasting an overall surplus of £4.057m. This is an adverse variance of £5.736m compared to budget.
- 2.3.35 The adverse movement predominantly relates to lower service charge and Major works contribution income where there has been an adverse movement of £5.335m and Residential Services £1.019m adverse movement, attributed to lower rental income on both Dwelling and Non-dwelling properties arising as a consequence of a higher proportion of non-operational assets within the Housing Management system than originally budgeted by City West Homes. The total impact is being offset against underspends of (£0.658m) within the Directorate Housing Team and Property Services, largely due to staffing underspends.

2.3.36 The breakdown of the adverse movement of **£5.335m** is as below:

2.3.37 The Leasehold Service collects contributions in relation to major works from leaseholders, and there has been an adverse movement of £3.768m which is due to a reduced income forecast from major works charges. A recent review was undertaken of all Major Works Capital projects which looked at the actual works completed in year and assessed the likelihood of works being completed in the current financial year. This analysis showed that the completion dates of a number of schemes would slip into the next financial year and as a result less income would be collected from leaseholders. This is because invoices to leaseholders can only be raised once works are completed. The main reason for completion dates slipping is the increased major works spend on fire safety, which now accounts for more than 40% of the major works budget. Some of this spend is also not recoverable from leaseholders and therefore further leading to an overall reduction in income.

2.3.38 There is a further overspend of £0.475m by the Health and Safety Team for additional Fire Risk assessments that need to be carried out before the end of the financial year. External inspector resources are required as the internal team do not have the capacity to undertake the number of inspections required. This is a one-off cost.

2.3.39 Within the Leaseholder Services team there is a further adverse movement of £0.782m identified by the detailed service billing review whereby there will be a reduction in Lessee service charges collected compared to budget, and a higher service charge payment to private landlords where the HRA / Westminster is the leaseholder of premises occupied by Council tenants. This cost wasn't budgeted when City West Homes put the 2019/20 HRA budget together.

2.3.40 The remaining overspend of £0.310m relates to salary overspends, additional valuations fees and reduced revenue income from Right to Buy sales and Lease extension and premium fees.

Place Shaping and Planning *(Councillor Richard Beddoe)*

2.3.41 At the end of period 6, the portfolio is forecasting to a budget of £1.411m with a nil variance.

2.3.42 There is a reported risk of £0.200m owing to pressures in the West End Place Programme team.

2.3.43 An identified opportunity of £0.250m at period 6 relating to projections of Planning Income.

Public Protection and Licensing *(Councillor Ian Adams)*

2.3.44 At the end of period 6, the portfolio is forecasting to a budget of £9.218m with a nil variance.

2.3.45 There are no risks or opportunities identified in period 6.

Sports, Culture and Community *(Councillor Ian Bott)*

2.3.46 At the end of period 6, the portfolio is reporting an overspend of £0.204m against a budget of £7.902m. This is within the Libraries and Registrars service due to the disaggregation of Hammersmith and Fulham from the shared service, a shortfall in income from the School's Library and historic unachieved savings.

2.3.47 There are reported risks of £0.352m. These are within the Libraries and Registrars service associated with a VAT ruling by HMRC (£0.080m), slower than anticipated return on commercial initiatives (£0.100m) and a delayed implementation of Smart Open technology due to a single supplier market (£0.100m). There is an additional risk of (£0.072m) because Pimlico Academy may not continue with the current shared library provision. Mitigating actions are being considered to reduce the financial impact of these risks.

2.3.48 No opportunities identified in period 6.

3. Capital – Forecast Outturn

3.1 The Council's General Fund capital projects are currently reporting a forecast gross expenditure of £235.211m and gross income of £71.511m against a revised gross expenditure budget of £314.393m and gross income budget of £100.442m – including slippage from 2018/19. This equates to a net variance of £50.251m comprising a variance of £79.181m on expenditure and a variance of income of £28.930m.

3.2 The table below summarises the capital programme by directorate.

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)
Economic Development, Education and Skills	15,006	(14,353)	10,669	(7,661)	(4,336)	6,691	9,798	4,848
Customer Services and Digital	1,503	-	903	-	(600)	-	903	997
Deputy Leader, Environment and City Management	34,016	(9,123)	25,114	(6,488)	(8,902)	2,635	26,549	6,774
Family Services and Public Health	4,557	(2,787)	2,176	(1,052)	(2,381)	1,735	3,674	184
Finance, Property and Regeneration	117,166	(7,950)	94,901	(4,081)	(22,265)	3,869	98,144	20,156
Housing Services	27,411	(18,849)	39,561	(31,001)	12,150	(12,152)	39,561	19,285
Deputy Leader Place Shaping and Planning	35,394	(1,441)	12,325	(801)	(23,069)	640	12,632	2,115
Deputy Leader, Environment and City Management/Deputy Leader Place Shaping and Planning	52,069	(43,904)	28,872	(19,216)	(23,197)	24,688	33,801	6,555
Public Protection and Licensing	1,759	(1,162)	1,759	(1,162)	-	-	1,759	625
Sports, Culture and Community	8,981	(873)	5,423	(49)	(3,558)	824	5,626	602
Service Area Total	297,862	(100,442)	221,703	(71,511)	(76,158)	28,930	232,447	62,141
Projects Funded from Flexible use of Capital Receipts	16,531	-	13,508	-	(3,023)	-	13,508	4
Grand Total	314,393	(100,442)	235,211	(71,511)	(79,181)	28,930	245,955	62,145

Funding

	Revised Funding Budget	Funding Forecast	Variance
	(£,000's)		
Grants	(100,442)	(71,511)	28,930
Contributions			-
Revenue Account			-
External Funding Total	(100,442)	(71,511)	28,930
Internal Funding*	(213,951)	(163,700)	50,251
Grand Total	(314,393)	(235,211)	79,181

* This is by capital receipts or borrowing

3.3 Period 6 Forecast Outturn by Cabinet Portfolio

Deputy Leader, Economic Development, Education and Skills (Councillor Tim Barnes)

- 3.4 As at period 6, the capital programme is forecasting a variance to budget of £4.336m. This is due to:
- 3.4.1 St Marylebone Bridge Special School being substantially reprofiled (£4.936m) to 2020/21 with an expected start date of April 2020 following negotiations with the Department for Education (DfE) being more prolonged than anticipated, adversely impacting the procurement timetable.
 - 3.4.2 The works at King Solomon School for the expansion have had £0.800m reprofiled into 2020/21 due to delays in construction, as works can only carry be carried out during school holidays in order to minimise safeguarding risk.
 - 3.4.3 There is a forecast overspend of £0.907m on the St George's School Expansion project, owing to school contributions not being finalised at period 6. These have now been finalised and balance off the overspend by £0.865m leaving a residual balance of £0.042m which relates to invoice timings and accruals.
 - 3.4.4 A greater level of works required for Health and Safety maintenance under Minor Works projects and identified as urgent, totalling £0.759m, is to be reprofiled from future years' budgets reflecting the front loading of the programme. A further £0.112m will be absorbed within the Reactive Capitalised Maintenance budget also to be reprofiled from future years.
 - 3.4.5 The Hallfield Site Improvements budget has been reprofiled forward by £0.476m to reflect the speed at which the works on site have been carried out.
 - 3.4.6 Westminster Connect - Broadband has reprofiled £0.834m into 2020/21 reflecting the expected uptake in vouchers.
 - 3.4.7 The remaining £0.091m overspend is related to various other projects.

Customer Service and Digital (Councillor Paul Swaddle)

- 3.4.8 At period 6, the projected expenditure outturn is a variance of £0.600m against the gross budget of £1.503m.
- 3.4.9 This main underspend of £0.400m relates to the End User Computing Refresh project, as new devices for staff were purchased in 2018/19 (£0.638m) to coincide

with the move back to City Hall. The project has now been extended by four months from the original timescales, the anticipated cost of this extension is £0.238m. This is due to the challenge of the deployment to Housing staff. The project is now expected to be completed by November 2019.

3.4.10 The remaining underspend is related to Meeting Room Refurbishment (£0.150m) resulting from a change in its current spend plan and Corporate Software Licences (£0.050m) being forecast not to spend.

Deputy Leader, Environment and City Management *(Councillor Tim Mitchell)*

3.4.11 Deputy Leader, Environment and City Management is forecasting a £8.902m variance to budget at period 6 which is outlined below.

3.4.12 Piccadilly Underpass is re-profiling £3.505m due to the nature of the scheme and the complex issues associated with this scheme. Getting the appropriate designs has taken much longer than anticipated which has had a knock on effect on original timeframes.

3.4.13 Strutton Ground reflects a £1.800m underspend due to a large risk and contingency allowance factored into the original budget, which is no longer required.

3.4.14 Cycle Schemes have reported a total variance of £1.435m due to TFL LIP allocation being lower than anticipated - £0.535m. In addition, Cycle Superhighway Route 11 is declared as an underspend of £0.900m as this scheme is no longer going ahead after legal challenges ruled in WCC's favour.

3.4.15 Local Safety and Traffic Management Scheme is re-profiling £0.810m. The project in relation to a Trial 20mph Zone is not envisaged to start until Spring 2020.

3.4.16 The Victoria Embankment Mooring Rings scheme has been reprofiled £0.633m due to the changes in main phase of work.

3.4.17 The remaining variance of £0.719m relates to various other projects.

Family Services and Public Health (Councillor Heather Acton)

- 3.4.18 At period 6, the Family Services and Public Health is forecasting a £2.381m variance to budget.
- 3.4.19 Portman Boiler & Distribution project is reprofiling £1.475m due to delays in the construction phase due to foundation changes and changes in planned buildings highlighted by conducting extensive ground surveys. The project is expected to begin in January 2020.
- 3.4.20 Lupus Street - as part of the strategic review, the housing and health partners will inform decisions on the use of the property. The review is being led through Central North West London (CNWL) and the intention is to have a new service in place within 18 months. It is likely that the majority of the spend (£0.247m) will slip into 2020/21.
- 3.4.21 In addition, the remaining variances of £0.436m are linked to the IT system projects. The Framework I Upgrade to Mosaic project requires a reprofiling of £0.166m following the decision to extend the current contract to 2021/22 resulting from a delay in procurement of a digital platform system, which will align with the new social care system. The Health Integration scheme (£0.200m) and Mobile working (£0.070m) require further review, therefore the profile of expenditure is currently uncertain.
- 3.4.22 The remaining reduction of £0.223m is related to Remodelling of Early Year Help.

Finance, Property and Regeneration (Councillor Rachael Robathan)

- 3.4.23 At period 6 the Finance, Property and Regeneration portfolio is projecting a variance of £22.265m.
- 3.4.24 A number of budgets have been reprofiled into future years including:
- Beachcroft - £1.292m, where the programme has been extended following an extension of time claim by the developer
 - Church Street Green Spine - £1.289m, due to a delay resulted from UKPN's amendment.

- Acquisitions in WHIL (the Council's housing subsidiary) - £4.090m, relating to the units at Jubilee where the first payment will now not be incurred until 2020/21.
- Pimlico - £3.077m, due to changes in assumptions of the delivery route between WHIL and the HRA.
- Warwick - £3.592m, As Warwick is the first development scheme through the housing subsidiaries, officers have undertaken additional legal and financial due diligence including reviewing lease structures, tax planning and procurement. This has impacted the scheme's programme timeline.
- The capital contingency budget - £9.590m is not expected to be required this year.
- Delays in commencement of other schemes including Lisson Grove £4.420m, Leisure Review £3.358m and Coroner's Court £1.450m.

3.4.25 The underspend is offset by budgets being brought forward for:

- Landlord Responsibilities - £1.129m, reflecting the need to undertake emergency works to protect the public and meet statutory obligations to provide an appropriate working environment to employees and commissioned service providers.
- Dudley House has reprofiled £1.430m forward from 2020/21 due to a retention payment cost within the scheme.
- Luton Street - £7.681m, which is commencing on site earlier than originally anticipated, leading to a reprofiling of expenditure into 2019/20 from future years.

3.4.26 Westmead is forecasting an overspend of £1.941m owing to the inclusion of additional development costs at Wilberforce School. This will satisfy the Secretary of State requirements regarding school provision and thereby unlock the Westmead site for development.

3.4.27 Other movements of £22.265m on a number of schemes contribute to the remaining reduction.

Housing Services *(Councillor Andrew Smith)*

3.4.28 At period 6, Housing Services is forecasting an overspend against budget of £12.150m. This relates to an increased spend of £12.152m from the Affordable

Housing Fund, following the recent approval of an allocation of £15.000m of AHF to Westminster Community Homes to acquire studio and 1-bedroom properties. This expenditure is fully funded through the Affordable Housing Fund grant. In addition, £2.848m of other AHF spend has been reprofiled into 2020/21.

Deputy Leader, Place Shaping and Planning (Councillor Richard Beddoe)

- 3.4.29 At period 6, Deputy Leader Place Shaping and Planning is forecasting an underspend of £23.069m.
- 3.4.30 Oxford Street District accounts for most of the variance at £17.495m. Reflecting a revised programme following delays in procurement of the design and building contract and external delays from TFL in traffic modelling, spend has been reprofiled into 2020/21.
- 3.4.31 Further amounts have been reprofiled to future years including Strand Aldwych of £2.968m following delays in identifying the best procurement route, as well as Soho Area Public Realm Improvement of £1.450m resulting from the development of a new place plan.
- 3.4.32 The remaining variance of £1.156m relates to various other projects.

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

- 3.4.33 At period 6, Deputy Leader Environment and City Management/Deputy Leader Place Shaping and Planning jointly monitor projects which have a £23.197m variance to budget.
- 3.4.34 Ceremonial Streetscape is re-profiling £5.803m due to a delay in securing the appropriate permissions from external bodies who provide the funding for the scheme, which has had an impact on the start dates on the scheme.
- 3.4.35 Hanover Square is re-profiling £4.468m due to delays in relation to the wider London wide Crossrail scheme which has impacted on the delivery of scheme.
- 3.4.36 Jermyn Street is underspending by £2.800m due to changes of scope in project materials requested by the developer which has reduced the overall cost of the scheme.

- 3.4.37 Queensway Streetscape is re-profiling £2.270m as phases 3, 4 & 5 will be delivered across this and next financial year which is later than originally planned. The delay in the delivery is due to an extended stakeholder engagement process with project funders.
- 3.4.38 East Mayfair has re-profiled £2.111m. New project against this budget has not been commissioned due to lack of third-party interest.
- 3.4.39 Covent Garden Streetscape is reprofiling £1.840m. The project is still awaiting a decision as to whether the scheme will go ahead from Capco, the project's funder. The decision is due shortly.
- 3.4.40 St James Palace Forecourt is reprofiling £1.450m as developer funding is only available for one side of the street. Therefore, the scheme is currently on hold until a decision on how to progress has been agreed.
- 3.4.41 Berkeley Square is reprofiling £1.115m due to a design change requested by the project funder, leading to £0.661m being reprofiled. Also rephasing of the scheme, as a result of poor ground conditions encountered on site, is leading to £0.454m being reprofiled.
- 3.4.42 Villiers Street is reprofiling £1.053m due to lack of third-party interest from external parties to take the scheme forward.
- 3.4.43 However, there is an overspend of £2.172m on Christchurch Garden. This is fully funded by S106 resulting in nil impact on council funding.
- 3.4.44 The remaining £2.459m is reprofiling across the portfolio.

Public Protection and Licensing (Councillor Ian Adams)

- 3.4.45 At period 6, Public Protection and Licensing is forecasting to budget.

Sports, Culture and Community (Councillor Ian Bott)

- 3.4.46 At period 6, Sports, Culture and Community is forecasting a variance of £3.558m.
- 3.4.47 Leisure Review Maintenance is reprofiling £2.750m as an updated spend profile has been received with the vast majority of the work now being expected to proceed in future years.

3.4.48 A further £0.740m of reprofiling relates to the Libraries capital programme.

3.4.49 The remaining reprofiling variance of £0.068m relates to various other projects.

3.4.50 A further analysis of the expenditure position splitting projects between Development, Operational and Investment expenditure can be found in **Appendix 1**.

4. HRA CAPITAL EXPENDITURE – 2019/20 Budget and Projected Expenditure

4.1 At the end of period 6, the forecast gross capital expenditure outturn for the HRA is £146.948m resulting in a total variance of £2.907m compared to the budget of £149.854m. This reflects the expenditure forecast for Major Works of £47.728m, Housing Regeneration of £65.798m and Other Projects of £33.422m. Variances within each category are set out in the table below:

Description	Full Year Budget (£'000's)	Forecast P6 (£'000's)	Variance (£'000's)
Major Works	49,353	47,728	(1,625)
Housing Regeneration	66,187	65,798	(389)
Other Projects	34,314	33,422	(892)
Total Capital Expenditure	149,854	146,948	(2,907)

The reasons for the projected underspend are as follows.

Major Works

At period 6 the forecast outturn remains an underspend of £1.625m.

Projects reprofiled from period 5 has resulted in an in-year underspend within Major Works. Additional cost from boiler replacement works and Fire Risk Assessment (FRA) has been managed within existing allocations which has resulted in some planned major works being slipped into future years. This slippage will be reflected in future year Major Works Budgets.

Housing Regeneration

At period 6 there is a forecast underspend of £0.389m.

There is reprofiling into future years for Parsons North (£2.897m), Cosway (£0.215m) and Ashbridge (£0.009m) schemes. Parsons North reflects a reprofiling of the scheme in line with

the full business case. For Cosway and Ashbridge, the forecast reduction in-year is due to ongoing negotiations relating to the relocation of a radio repeater station (a radio communication device) causing delay to the programme.

There is reprofiling into future years of £3.652m for the Ebury acquisitions programme, representing a realistic target to be achieved by the end of the year with the new phasing agreed. There is a forecast overspend on Ebury of £5.238m, which relates to the profile changing from a developer model to self-delivery, in addition to increased meanwhile use costs previously unbudgeted and demolition works brought forward.

Lisson Arches forecasts an overspend of £1.523m as a result of revised utility costs and requirements to complete the enabling works on site.

Luton Street reprofiling of £1.935m reflects the programme changes now confirmed by agreement between the contractors and development team. Improvement works to surrounding blocks are now expected to take place next financial year. An increase in professional fees for surveys on the Church Street site has resulted in a forecast overspend of £1.073m. Further movements have resulted in a forecast overspend of £0.485m on other schemes.

Other Projects

At period 6, the forecast underspend is £0.892m for Other Projects.

Reprofiling of £2.146m for West End Gate, reflecting a revision in the developer's construction profile moving payments based on valuations forward into 2019/20. The overall cost of the scheme has increased owing to a revision in estimates on the purchase price per unit given similar acquisitions within the area and increased construction costs.

In addition to this, there is reprofiling of £3.499m within the Small Sites programme. This relates to reprogramming of Lapworth Court, Senior Street and Wellington Road in phase two of the Infill programme in addition to a tender extension on the packages for the Estate offices. Further movements on other schemes have resulted in a net variance of £0.461m.

5. Schools' Balances

Overview

- 5.1. The Bi-Borough Schools' Finance team provides support to 40 maintained schools and nurseries in the borough of Westminster with total delegated budgets of £44.5m funded from the Schools Block of the Dedicated School's Grant (DSG). In addition, there are 18 academies which have total budgets of £67.6m
- 5.2. The 2019/20 pupil headcount reduced by a net of 204 (-1%) pupils as per the October 2018 census. Primary school numbers fell by 460 (-5%), and conversely secondary schools increased by 256 (+3%). 76% of school funding is based on pupil numbers. Per pupil funding increased by an average of 1%.
- 5.3. Provisional 2020/21 Dedicated Schools Grant (DSG) allocations were provided by the Education and Skills Funding Agency (ESFA) in October 2019. These provisional Schools Block figures show an increase of £2.625m (2.34%) compared to 2019/20. The provisional figures will be updated for final October 2019 roll numbers.

Schools with deficits

- 5.4. Schools in Westminster face a number of challenges this year – particularly primary schools with falling rolls. There were eleven schools (including one maintained nursery) who ended 2018/19 in deficit. This compares with eight schools at the end of 2017/18.
- 5.5. All of the eleven schools with deficits at the end of 2018/19 have received support to develop deficit recovery plans to bring their budgets back to a balanced position within an agreed timescale. Collectively, these schools had an aggregate deficit of £1.128m at 31st March 2019 which is 7% of the total budgets for those schools. See table 6 and 7 below. The total of all school balances is a net surplus of £3.289m, within that the total of surplus balances in schools is £4.417m.
- 5.6. Of the eleven schools, the five below have licensed deficit recovery plans in place or a plan in progress (as is the case with Portman). Monthly reporting to the Council is compulsory for schools with deficits and monitoring reports are actively pursued.

Settings with Licensed Deficit Recovery Plans

School Name	Deficit (£)	Deficit Recovery Plan Received
Essendine	87,417	Yes
Portman Early Childhood Centre	167,425	To be finalised at December Governing Body Meeting
St Luke's	397,456	Yes
Westminster Cathedral	188,835	Yes
All Souls	75,479	Yes
Total	916,612	

- 5.7. The six remaining schools with deficits at the end of 2018/19 are listed below. Each school plans to eliminate its deficit by reducing 2019/20 in-year expenditure accordingly and the latest projections show they are on course to achieve that.

Settings managing deficits in-year

School Name	Deficit (£)
St George's Hanover Square	27,376
St Mary of Angels	52,262
Robinsfield	28,724
St Augustine's	26,648
St Mary Bryanston Square	14,000
St Vincent de Paul	62,577
Total	211,587

Schools at risk

- 5.8. Of the eleven schools with a deficit at the end of 2018/19, five expect to still be in deficit at the end of 2019/20 – and this is in line with those schools' recovery plans in place this year.
- 5.9. To support schools, we regularly review monthly monitoring returns, provide training sessions to Governors and headteachers and work closely with Schools Standards and Governor Services to ensure that all schools develop a sustainable medium-term budget.
- 5.10. Additional support is provided to all schools to implement staffing restructures and maximise income opportunities and ensure value for money in the receipt of services. We also liaise with both dioceses on school pupil projections, budget forecasting and explore opportunities for joint working between schools.

Appendix 1 – Capital Programme Categorisation

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	Customer Services and Digital	1,503	-	903	-	(600)	-	(600)
	Deputy Leader, Environment and City Management	31,472	(7,800)	24,226	(5,738)	(7,246)	2,062	(5,184)
	Deputy Leader, Environment and City Management/Deputy Leader Place Shaping and Planning	27,823	(23,876)	20,130	(10,595)	(7,693)	13,281	5,588
	Economic Development, Education and Skills	15,006	(14,353)	10,669	(7,661)	(4,336)	6,691	2,355
	Family Services and Public Health	4,557	(2,787)	2,176	(1,052)	(2,381)	1,735	(646)
	Finance, Property and Regeneration	63,329	(2,925)	43,916	(39)	(19,413)	-	(19,413)
	Housing Services	20,421	(11,859)	20,419	(11,859)	(2)	-	(2)
	Deputy Leader Place Shaping and Planning	3,981	(1,250)	1,375	(610)	(2,606)	640	(1,966)
	Public Protection and Licensing	1,759	(1,162)	1,759	(1,162)	-	-	-
	Sports, Culture and Community	8,981	(873)	5,423	(49)	(3,558)	824	(2,734)
Operational Total		178,832	(66,885)	130,996	(38,765)	(47,835)	25,233	(22,602)
Development	Deputy Leader, Environment and City Management	2,544	(1,323)	888	(750)	(1,656)	-	(1,656)
	Deputy Leader, Environment and City Management/Deputy Leader Place Shaping and Planning	24,246	(20,028)	8,742	(8,621)	(15,504)	11,407	(4,097)
	Finance, Property and Regeneration	33,837	(5,025)	30,985	(4,042)	(2,852)	983	(1,869)
	Housing Services	6,990	(6,990)	19,142	(19,142)	12,152	(12,152)	-
	Deputy Leader Place Shaping and Planning	31,413	(191)	10,950	(191)	(20,463)	-	(20,463)
Development Total		99,030	(33,557)	70,707	(32,746)	(28,323)	811	(27,512)
Investment	Finance, Property and Regeneration	20,000	-	20,000	-	-	-	-
Investment Total		20,000	-	20,000	-	-	-	-
Efficiency	FCR	16,531	-	13,508	-	(3,023)	-	(3,023)
Efficiency Total		16,531	-	13,508	-	(3,023)	-	(3,023)
Grand Total		314,393	(100,442)	235,211	(71,511)	(79,182)	28,931	(50,251)



Meeting or Decision Maker:	Audit and Performance Committee
Date:	27 th November 2019
Classification:	General Release
Title:	Quarter 2 Performance Report
Key Decision:	Review and challenge officers on the contents of the report
Report of:	Julia Corkey, Executive Director of Policy, Performance and Communications

1. Executive Summary

The Quarterly performance report summarises the Council's performance at the end of the second quarter of the 2019/20 financial year. It captures how we are performing against the City for All priorities and includes progress towards achieving the deliverables and targets within departmental business plans.

2. Recommendations

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

3. Reasons for Decision

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

4. Background, including Policy Context

This report sets out how the City Council is delivering on the City for All vision.

Quarter 2 Performance Report – 2019/20

1. This quarter's headlines

The information presented below is by exception and highlights the top achievements and challenges at quarter two. This section draws on the data provided by service directorates detailed in appendix 1.

Performance achievements and opportunities

City of opportunity

Everyone should have the opportunity to build their lives, careers and families here.

- **The final phase of the Council's Flagship housing scheme at Dudley House in Paddington is now complete.** The scheme has delivered all of the planned 197 new affordable homes. It has also provided for a new school (Marylebone's Boys school), a new Church and a retail unit.
- **Work started in August to convert an underused car park into sixty new-builds just off the Edgware Road, providing new affordable homes.** The brand-new building will have 10 homes for social rent, 9 for intermediate rent and 41 private-sale homes. This milestone has been marked at a ground-breaking ceremony held with contractor Osborne to celebrate the first spade in the ground to dig the foundations of Parsons North. Proceeds from the sale of the private homes will be re-invested into other projects in Westminster, such as landscaping improvements in the local area and new affordable housing schemes across the city. It is expected the project will be completed by Spring 2021.
- **Work started in October to deliver 171 new homes on Luton Street, part of the Church Street Regeneration programme.** More than a third of the homes will be affordable and the project also includes a sports hall and community space. In total the development will include 109 homes for sale and 62 affordable homes. The completion date is expected to be in 2022.
- **Westminster's GCSE results for 2019 showed an improvement in all headline measures** compared to last year. On the Progress 8 measure, which takes account of value-added performance across 8 subjects (with English and Maths double weighted), results improved by 2% on 2018. On the Attainment 8 measure, which measures absolute performance also in 8 subjects, results were 7 points above national levels. A Level results for 2019 have also shown an improvement in grades A* to B compared to last year.
- Westminster Adult Education Service (WAES) provides study opportunities to the hardest to reach and those furthest from education and employment. **Recently available WAES results for 2018/19 show positive progress:**
 - Learners studying higher qualifications achieved a 95% success rate, a massive 19% improvement on the previous year.
 - Learners progressing to higher education or full-time employment for the 1,598 Westminster resident learners also increased to 74%, up 5% on the previous two years.
- At 2019-20 Q2, **72% of care leavers aged 19,20,21 were in education training or employment (EET).** Nationally, Westminster achieves a higher rate of Care Leavers aged 19-21 in EET when compared with the most recent England 2018 rate of 51%.

Excellent local services

Westminster has a national reputation for providing excellent local, value for money services. We will continue to drive improvements, working with our partners to make sure the city is safe, clean and well run.

- **Children’s Services in Westminster City Council have been given a clean sweep of outstanding ratings by Ofsted, the independent inspectorate.** The service, its teams and leadership were highly praised and described as ‘excellent’ by the assessors who looked at all aspects of child social work. In particular, Westminster City Council provides excellent services for vulnerable children resulting in long-term positive changes for children and families. Both Westminster and RBKC councils are the first local authorities in the country to sustain and improve upon their previous ‘outstanding’ rating.
- **In a joint operation with the Metropolitan Police and London Fire Brigade (LFB), Westminster City Council recently launched a dedicated ‘Autumn Nights’ campaign to keep residents safe during Halloween and Bonfire Night.** From the 18 October 2019 through to 5 November 2019, activity during the ‘Autumn Nights’ campaign included, visits to retailers checking they are aware of the restrictions around selling knives and fireworks. Conducting highly visible weapons sweeps in a number of sites. Increased numbers of police on patrol in the borough, including after-school patrols. Engagement by the council, police and LFB with schools, community groups and youth clubs. The council’s housing services team put up notices about firework safety, arranged temporary CCTV access for police, and caretakers monitored housing estates to tackle anti-social behaviour and clear potential fire hazards.
- Following a rise in reported hate crimes over the past year across the country including London, **Westminster City Council launched an independent commission to look at hate crime and how to tackle it in Westminster – the first for any local authority in England.** The Commission’s work will be to engage with individuals and organisations to gather evidence about hate crime in the city and offer clear guidance and recommendations to the council and others on how to address the issue.
- **A new multi-use exercise studio and community space at Paddington Recreation Ground has officially opened.** Following a 30 week build programme the project completed on time and budget to produce a brand new 132sqm community studio. Members of the public attended a reception on Monday 23rd September to launch the space, which will provide new opportunities for local residents to keep fit and hold community events, as well as benefiting the ground’s 1.3M existing visitors from the local and wider area.
- The RSPCA recently announced the winners of special PawPrint Awards for local authorities, housing providers and public service organisations who have gone above and beyond for animals over the last decade. **The City Council has received three gold awards recognising the good work done in relation to stray dogs, animal licensing and housing in the City.**

Caring and Fairer City

Caring and supporting the most vulnerable within our community is, and will always remain, our most important priority.

- **The City Council's [draft Homelessness Strategy 2019 to 2024](#) was published in July for public consultation.** It sets out how the Council plans to prevent and respond to those at risk of losing their home or made homeless in Westminster. The strategy includes a proposal for networks of community champions from resident, faith and community groups whose role will be to identify people who may be at risk of homelessness.
- **Westminster City Council and Everyone Active offered people living with dementia and their carers complimentary access to all its leisure centres** over the weekend Saturday 7 – Sunday 8 September. The opportunity was created in support of National Dementia Carers' Day (Sunday 8 September).
- **The Westminster on Wheels (WoW) bus has been established to provide a visible range of housing services to residents,** following the internalisation of CityWest Homes. To date, a total of 20 WoW events have been held across the city and more than 1,300 residents have visited. WoW has been positively received with high levels of satisfaction being achieved. For example, 94% were very happy or happy with the bus being on the estate and 96% found the bus accessible.
- **A Moving with Dignity Collaboration event was organised** to share and promote the use of technology, equipment as well as techniques required for single handed care already used by the Council. The day was attended by over 150 people from across the NHS, Care Providers and Adult Social Care front line staff. In total 90% of attendees stated they will implement what they learnt from the day into their practice.

Healthier and greener city

Children growing up and going to school in Westminster deserve a healthy start in life and clean air. We will work closely with partners, including the NHS, to encourage individuals and families to enjoy active and healthy lives, while we focus our resources on the support needed for the most vulnerable in our city.

- **Three housing estates in Westminster received the Green Flag Award** in recognition of their outstanding quality green spaces, which provide an oasis for residents in the heart of London. Lillington and Longmoore Gardens estate in Pimlico has been recognised by the Green Flag Award Scheme for the thirteenth year running, while Churchill Gardens (also in Pimlico) received the award for the seventh and Lisson Green in Marylebone for the fourth. They join other award-winning green spaces in Westminster which include the royal parks.
- **The council has recently been awarded the RHS Britain in Bloom 'City of the Year' award. The first time this has been achieved since 1990.** Additionally, the London in Bloom awards this year handed the Council 11 awards for parks, gardens and cemeteries across the city, including Park of the Year for Victoria Embankment Gardens. London in Bloom is designed to promote gardening, horticulture and biodiversity across the city and recognises the efforts individuals, businesses and community groups make to brighten up their local community through gardening and horticultural efforts.
- **In September the City Council declared a Climate Emergency – signalling the Council's intention council to become carbon neutral by 2030 and for the whole city to follow suit by 2040 – ten years ahead of Government targets.** Westminster attracts over one million visitors each day and produces more carbon emissions than the whole of Cardiff or Newcastle. The City Council is already leading the way with a number of environmental campaigns having introduced the first diesel surcharge, a school's clean air fund and more electric vehicle infrastructure than any other

London borough. Two years ago, the council launched the #DontBeldle campaign to cut engine idling at the kerbside which has over 14,000 supporters. Over the coming months the council will be introducing new campaigns aimed at encouraging residents and businesses, and visitors, to be cleaner and greener.

- **Two of Westminster's 26 tonne refuse collection vehicles that previously ran on diesel have been upcycled with new electric engines.** The vehicles are being tested across a range of different collection routes to verify their reliability and resilience. The use of electric power brings potential to substantially reduce carbon emissions and air and noise pollution, working towards delivery a greener City.
- **Plans to introduce a 20mph speed limit across Westminster have been put out to consultation to residents.** The proposals, which would apply to all roads across the city apart from TfL red routes and those in the Royal Parks, will help make Westminster safer for cyclists and pedestrians. The council has already introduced 20mph speed limits around 39 schools in Westminster following a successful trial and lower speed limits were supported by more than seven out of ten residents (73 per cent), who felt it would be safer to walk and cycle in their community. Following this, the council are now seeking public support for a borough wide 20mph limit.
- The Council, in partnership with Central London Clinical Commissioning Group and charity partners, will **introduce a multi-disciplinary team aimed at providing psychology, substance misuse and peer support for rough sleepers.** The Council was successful in securing a £385k grant from Public Health England to run the 1-year pilot scheme.

City that celebrates its communities

We are proud of Westminster's vibrant neighbourhoods and mixed communities. We want to make sure everybody has a stake in the city and can actively contribute to their community.

- The **Community Contribution Fund**, which gives Westminster residents living in high value properties the chance to make a greater contribution to their community, **has raised £900k to date with £200k of this now allocated to a range of projects across the borough.** £60,000 of this has been awarded to Riverside Care and Support to employ two ex-rough sleepers to become Westminster 'buddies' – helping people on the streets who may be distrustful of mainstream authority.
- **An exciting community collaboration between artists and Westminster residents, funded by the #MyWestminsterFund, was launched at special event at the Institute of International Visual Arts in the first week of October.** The artist Shepherd Manyika worked with members of the ETAT community charity (Encouragement Through Art and Talking) that support isolated, vulnerable and lonely people of all ages to produce an eight track extended play record of spoken word and rap tracks. Since its launch in 2018, the MyWestminsterFund has helped more than 60 local community organisations and is open to all voluntary, faith and community groups within Westminster.
- **A ceremony has held on 9th July where the winners of the #MyWestminster Community Awards were announced.** The awards celebrate community life across the borough by highlighting the important work carried out by volunteers, as well as the community action and acts of kindness that make Westminster a great place to live.
- Over 1 million revelers celebrated the annual Notting Hill Carnival during the August bank holiday weekend. **The Council supported organisers and partner borough Kensington and Chelsea by providing public toilets, managing street trading and removing rubbish from the carnival route each night.**
- The Council marked **Black History month** with a series of events culminating with Lord Mayor of Westminster and Chief Executive Stuart Love **hosting an evening of celebration**, featuring performances of poetry, spoken word, singing, rapping, dancing and African drumming.

Performance challenges

Key challenges and pressures

- Crime in Westminster continues to rise at a far greater (28%) rate than across the Metropolitan Police Service (6%). Whilst crime levels increase, detection levels continue to decline. Only 5.9% of crimes in Westminster were 'solved' over this review period. These increases have been coupled with the implementation of the Borough Command Unit (BCU) model in Westminster, which reduced the number of officers in Westminster by 200.
- Violence against the person offences have increased by 7% over the last year to June 2019 in Westminster and similarly across the Metropolitan Police Service (MPS) by 6%. Coupled with this increase is a fall in sanctioned detection rates from 14% a year ago to 11% in Westminster and similarly across the MPS. In Westminster 64% of all violence against the person offences are without injury. On average there are 29 violence against the person offences in Westminster a day compared with 27.5 a year ago.
- The increased demand in Looked after Children placements creates a resourcing and financial pressure for the Council. Without mitigation, this is likely to lead to overspend. The Pan London rota, a voluntary agreement between councils to share responsibility for safe care of unaccompanied migrants, continues to operate but there is limited spare capacity across London. Most authorities are now at their required quota (set by central government) of 0.07 unaccompanied asylum-seeking children (UASCs) per 10,000 population, limiting the Pan London transfer scheme to small numbers of transfers from Croydon. This means that the potential number of UASCs coming into the authorities (especially for Westminster) may increase dramatically in the coming financial years. The numbers of UASC arriving in Westminster are likely to remain the responsibility of the Council. Modelling, using trend analysis, highlights a net financial increase in Looked After Children due to numbers of UASC presenting of £0.650m per annum, reflecting an average increase of 49 children per annum cumulatively.
- There was an increase in the number of hotspot locations for rough sleepers' encampments across the City (where groups of 4 or more are sleeping together). Specifically, on our housing estates in the North and South of the City such as Lillington and Longmore Estate and Hallfield Estate. In July, we saw a 68% increase in the number of EEA nationals from the last count increasing from 132 to 232. Rough sleeping is harmful and dangerous, and long-term homeless is associated with a significantly lower average age of death. Additionally, evidence from the City Survey suggests anti-social behaviours often associated with the street population, such as begging, drug activity, street fouling and low-level intimidation, are a concern for our communities.
- Ongoing delays in the government publishing the Social Care Green Paper mean there is lack of clarity around mechanisms for ensuring the effective longer-term funding of adult social care. This has led to reliance on short term programmes and funding streams such as the Better Care Fund.
- The timetable for the local government finance settlement announcement is uncertain due to upcoming the general election. The settlement will affect Westminster City Councils funding over the next year and could lead to a change in service provision.
- The lack of consensus in parliament on the way forward for Brexit has created uncertainty for the economy of the City and the high number of EU nationals that currently work and reside in Westminster. The Brexit outcome could have a detrimental effect on equity valuations, global trade and future inflation levels. Without financial mitigation from the Treasury, there may be further pressures on local government funding impacting on finances available to deliver services.

- Westminster has one of the lowest immunisation rates in the country - 67.2% of children had the measles, mumps and rubella (MMR) vaccine compared with the London average of 77.8% and 87.2% nationally. One of the reasons for this trend is likely to be Westminster's particularly high population churn.

Key Performance Indicators that are off track

The performance indicators presented below are assessed as 'off track' to achieve ideal target levels at the end of quarter. Further detail can be found in appendix 1.

Q2 Target assessment definitions	Off track	Failing to achieve the minimum target level set by the council
	Projected to exceed target	Projected to exceed ideal target level set by the council
	Meeting target	On track to meet ideal target level set by the council
	Minimum standard met	Meeting the minimum target below ideal level set by the council

Key performance indicator	2018/19 position	2019/20 ideal target	Position at Q2	Target assessment
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Public Health

% of children who receive a 2-2.5-year development review	70%	80% by year end	65.9% (404/606)	Off Track
The appointment booking process is under review while the Pre-birth to five years transformation programme underway. The directorate are currently exploring alternative ways of delivery utilising the wider early years workforce and technology.				

City Management and Communities

To complete all high-risk food premises inspections (category A-B)	420	367	121	Off Track
Following high staff turnover in the first part of the year, new staff are now in post and a plan is in place to ensure the shortfall is made up in Q3, and Q4. Inspections are managed locally in area teams by food lead officers and monitored on a monthly basis by our Senior Leadership Team. Data integrity is regularly checked through new reports that have been set up. We are meeting with the Food Standards Agency regularly and they are satisfied that we are able to meet the statutory requirements for food.				

Growth, Planning and Housing

Satisfaction with Anti-Social Behaviour case handling	74%	74%	65%	Off Track
As reported in Quarter 1, staffing levels have been increasing and performance continues to improve (up from 63% in Quarter 1).				

2. Council's Risks

The section presents information taken from the council's corporate [risk registers](#).

Strategic Risks

The council fails to meet its safeguarding responsibilities for a child, young person or adult

There is a number of safety, reliability and quality assurance processes in place to keep children and adults safe. Independent scrutiny is provided by the Local Safeguarding Children's Board and the Safeguarding Adults Executive Board to ensure robust policies are in place, drive improvement in practice and support the implementation of lessons from case reviews. Staff are expected to attend safeguarding training as part of their induction and ongoing professional development. In the event of an incident there would be a co-ordinated and multi-agency response to ensure appropriate and timely action is taken. Additional measures are also in place to protect and safeguard individuals. Community development, communications and public engagement workstreams are established to prevent potential incidents. Learning outcomes are also discussed with the London Resilience Forum to feed future action plans.

A significant incident occurring in Westminster (e.g. weather event, fire, terror attack, etc.)

A number of plans are available to ensure business continuity and respond to major incidents. Weather reports are regularly monitored and there is joint working with the police and partners to take actions against potential terrorist threats. Similarly, the ongoing Counter Terrorism (CONTEST) programme ensures preparedness to respond to and recover from a terrorist attack. A 6 weekly CONTEST meeting is also chaired by the Chief Executive.

The impact of Brexit on Council services and communities across Westminster

The WCC Brexit Strategic Board through regular meetings with key stakeholders from each directorate is monitoring the potential impact on Council services and Westminster. The WCC Brexit Strategic Board has established a series of business continuity plans and contingencies in order to provide assurance and minimise any potential disruption. There is also an ongoing work with partners such as London Resilience Forum, Ministry of Housing, Communities and Local Government (MHCLG) and London Councils to provide joint solutions against the outcomes of Brexit.

Loss of IT systems or data

IT teams continue to focus on improving system availability and reducing the risk of data loss. In the second quarter, core Council systems were stable with no significant outages experienced. Our cybersecurity improvement works continue to strengthen technical controls and a focussed staff awareness campaign including further promotion of mandatory training will commence during Q3. The approach to corporate FOI/Data Protection processes has been strengthened to further reduce the risk of data breach.

Financial pressures resulting in an inability to fund services for resident, businesses and visitors

A series of measures have been established in order mitigate various external financial influences, such as the delay of publishing the Social Care Green Paper by the Government or fragility of the Care market. A protocol is in place to set out key roles and responsibilities and give guidance to officers in order to provide a means of continuing business functions and ensure the wellbeing of residents in the event of a disruption. Saving plans and improvement activity are also in place to increase the efficiency of services, ensuring most effective utilisation of the budget available.

Failure of a major contract resulting in the council being unable to provide services or meet its health and safety obligations

Business continuity plans are currently in place for all high value/high risk contracts. Enhanced procurement and due diligence processes are also in place prior to appointment and contractors are regularly monitored to ensure contracts do not fail. A new procurement framework has been also developed to introduce improvements to the current operating model and how procurement and contract management activities are governed, delivered and organised.

Top Departmental Risks

Risk Description & Impact	Risk Assessment	Current & Future Controls
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New departmental risks identified in Quarter 2

<p>CMC: The risk of abuse and violence against staff working in public facing roles could have a critical impact on customer and staff safety, risk to Council property and reputation.</p>	Likelihood of occurring: VERY HIGH	<p>There are numerous controls in place such as refreshed training for staff, continued monitoring, violence and aggression risk assessments, and strengthening relations with local and community police.</p> <p>The risk is monitored by the quarterly City Management and Communities Health and Safety committee. Local measures are also in place to minimise this risk.</p>
	Impact if risk materialises: CRITICAL	
	Risk score out of 25: 20	

<p>Adults & Public Health: Health protection incidents could have a direct impact on the wellbeing of residents and visitors.</p>	Likelihood of occurring: HIGH	<p>Public Health have developed a Health Protection Protocol and supporting awareness raising sessions to ensure staff are equipped to respond in the event of an incident. Seasonal campaigns, and targeted communications based on identified need, form part of our local planning.</p>
	Impact if risk materialises: CRITICAL	
	Risk score out of 25: 16	

Movements in the assessment of risks since the last quarter

<p>Risk likelihood increased from “significant” to “high” changing the total risk score to 16 (from 12 in Quarter 1).</p>		
<p>CMC: The reduction of policing resources following the Basic Command Unit (BCU) merger could reduce the policing support and responsiveness in Westminster particularly given the high volume of crime associated with the West End and Evening and Night Time Economy.</p>	Direction of travel: ↑ (Increased)	<p>Ongoing discussions with MPS over current concerns. Strategic assessment completed detailing increases in crime and will be raised at the Safer Westminster Partnership Meeting in November. A letter has been sent to the Policing Minister by the Leader, requesting an urgent allocation of additional officers back into Westminster.</p>
	Likelihood of occurring: HIGH	
	Impact if risk materialises: CRITICAL	
	Risk score out of 25: 16	

<p>Risk likelihood reduced from “very high” to “high” – Risk impact also reduced from “critical” to “significant” changing the total risk score to 12 (from 20 in Quarter 1).</p>		
<p>Adults: Financial Pressures and increased demand in Adult Social Care could has an impact on service costs could lead to potential overspends and inability to meet savings targets.</p>	Direction of travel: ↓ (Decreased)	<p>Robust financial management ensures savings plans, improvement activity and effective utilisation of the budget is in place.</p>
	Likelihood of occurring: HIGH	
	Impact if risk materialises: SIGNIFICANT	
	Risk score out of 25: 12	

Risk Description & Impact	Risk Assessment	Current & Future Controls
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Standing Risks - no changes since the last quarter

<p>Children's: Schools with a reduced number of pupils are at risk of developing budget deficits. This can have a financial and reputational impact for the council.</p>	<p>Direction of travel: → (No change)</p>	<p>The number of schools with deficits increased by 3 in 2018/19 to 11 out of 40 schools in Westminster. All of the eleven schools with deficits are RAG rated as red to highlight the urgent need for a sustainable position to be maintained in order to return to a balanced budget position. Collectively, these schools had an aggregate deficit of £1.128m at 31st March 2019. Five of the eleven schools have licensed deficit recovery plans in place or a plan in progress and the remaining six committed at budget setting in May to clearing their deficits in-year.</p> <p>The Westminster Schools' Forum, which includes Academy representatives, decided on the school budget allocation formula for 2019/20 with the aim of keeping per pupil reductions to a minimum. An action plan timetable also agreed for schools in deficit and those at risk of going into deficit.</p> <p>Each of the five schools with a plan expects to be running at a deficit for the next three years - in line with the maximum period permitted by the DfE, and in some cases plans may need to be revisited at the end of 2019/20 – as is likely to be the case with St Luke's and Westminster Cathedral.</p> <p>Monthly reporting is now a compulsory requirement for schools with plans and schools managing their deficits in-year have, as of the beginning of this term, been asked to report monthly also from September 2019.</p>
	<p>Likelihood of occurring: HIGH</p>	
	<p>Impact if risk materialises: CRITICAL</p>	
	<p>Risk score out of 25 16</p>	

<p>Finance: Some economists suggest that the Brexit outcome could have a detrimental effect on equity valuations, global trade and future inflation levels. This could take upwards of five years to recover from. Inflation accounting for all reserves and the MTP would affect all sources of funding due to an increase in prices this may not be met by an increase in funding.</p>	<p>Direction of travel: → (No change)</p>	<p>On 23 October 2019, the Pension Fund Committee approved a switch from UK Equities to Global Equities. This will assist in cushioning the effect of any shock arising from the UK's departure from the EU within a specific UK sub-fund. Residential housing will be considered as a possible asset category at the next committee meeting.</p>
	<p>Likelihood of occurring: HIGH</p>	
	<p>Impact if risk materialises: CRITICAL</p>	
	<p>Risk score out of 25 16</p>	

Appendix 1

Appendix 1 - Performance by service directorate

Introduction:

The information presented below is by exception and has been provided by service directorates. Each directorate section below features:

- i) a narrative account of performance covering significant achievements and challenges
- ii) a set of KPIs for each department
- iii) a comprehensive tracker of the City for All commitments

ELT Directorate sections:

1.1	Adult Social Care and Public Health	Page 11
1.2	Children’s Services	Page 18
1.3	City Management and Communities	Page 26
1.4	Growth, Planning and Housing	Page 36
1.5	People Services	Page 45
1.6	Legal Services	Page 47
1.7	Finance & Resources	Page 49
1.8	Policy, Performance and Communications	Page 54

1.1 Adult Social Care and Public Health

Achievements

Shisha harm reduction programme

Outputs delivered

In partnership with licensing and policy colleagues, we are working with local authorities from across England as well as the Local Government Association in forming a coalition to deliver a Public Health campaign focusing on the health harms of smoking shisha. In addition to the Public Health campaign element, we are supporting policy colleagues on a lobbying campaign. The aim of the lobbying campaign is to alert the government to the amenity challenges created by shisha establishments in localities across England in the absence of effective regulations. We will be working with a number of English LAs and the LGA to send a consistent and clear message to the government and make the case for improved regulations such as licensing. This is to ensure that businesses offering shisha do it safely, legally and with minimal nuisance.

Outcomes achieved

A local authority roundtable made up of officers working on shisha took place in Birmingham on 9th September. At the event there was agreement on continuing to work together as well as the next steps on the Public Health and lobbying campaigns. In addition to this a bi-borough shisha steering group has been formed and will oversee this work, with the use of task and finish groups as required.

Moving with Dignity Collaboration Day

People who need to be hoisted or cared-for in bed have usually required a double-staffed care package. In the last few years, innovations in moving and handling practice mean that with the use of technology, equipment and training a single carer can provide care safely on their own.

Outputs delivered

A Moving with Dignity Collaboration event was organised to share and promote the use of technology, equipment as well as techniques required for single handed care already used by the Council. The day was attended by over 150 people from across the NHS, Care Providers and Adult Social Care staff front line staff. In total 90% of attendees have stated that will implement what they learnt from the day into their practice.

Outcomes delivered

The event provided attendees with an understanding of single-handed care and better insight into the barriers of single-handed care provision, and how to overcome them. It resulted in a better understanding of the ethos of Moving with Dignity as well as an improved awareness of the possibilities of single-handed care.

Immunisation analysis and partnership workshops

Westminster has one of the lowest immunisation rates in the country for childhood immunisations - 67.2% of children had the measles, mumps and rubella (MMR) vaccine compared with the London average of 77.8% and 87.2% nationally. One of the reasons for this trend is likely to be Westminster's particularly high population churn. To help address this issue and fulfil its assurance function, Public Health has held a series of partnership workshops and presentations to identify the reasons behind the low uptake and to identify potential actions to improve immunisation rates.

Outputs delivered

- NHS England to present at October Scrutiny to provide overview and update on remedial plans
- Immunisations communication plan developed by Public Health and WCC comms.
- Public Health have developed a data tool to display variation in immunisation uptake by GP practice, which will allow GPs, PCNs and CCGs to explore the reasons for variance and use the tool to share best practice between surgeries.
- Public Health have analysed GP SystemOne data to identify factors associated with low MMR uptake in the borough. This will be used to identify families at risk of being unimmunised and will allow targeted interventions.
- Following a local outbreak of measles, a letter signed by the Director of Public Health was sent by GP practices to parents of all children un-immunised or partially immunised against MMR, urging them to take action.

Outcomes achieved

The results of the partnership workshops, presentations and data analysis will be synthesised into an action plan. Implementation will be overseen by a newly established Immunisations steering group, which will allow Public Health to deliver its quality assurance function by monitoring the progress of interventions and the subsequent effect on immunisation uptake rates. Public Health will be monitoring rates over the coming quarters to identify progress with NHS England due to present an update at the April Health and Wellbeing Board.

Risks and issues:

Garside Nursing Home

The Council received details of a whistleblowing complaint on the morning of the 22 October regarding Garside Nursing Home. The Council immediately mobilised a multi-agency meeting with representatives from the Metropolitan Police, the Central London Clinical Commissioning Group – the CCG – and the Council. With the addition of the CQC, this partnership has met every working day since these concerns have been raised.

Impacts and consequences

Potential impact on residents' safety or quality of care provision.

Mitigation and progress

- Since the allegations were received, 5 named Sanctuary Care members of staff were suspended;
- The Council installed a step-in team on 24th October to provide additional support and assurance to patients and residents to oversee practice and intervene where necessary to protect residents' safety. This team has meant there has been a Council presence at the home every day since this incident arose;
- To date, Cllr Acton, together with senior council officers have held three drop-in sessions for relatives and residents at the home to inform them about the allegations.
- CQC completed an unannounced inspection at the home starting 5th November and are currently writing up their findings.
- The arrangements at Garside are governed under the SHSOP contract, which was let in 2015. Through this arrangement the Council is the lead commissioner for nursing and residential care, including a community ward. The Council has been working in partnership with the CCG to disaggregate commissioning in a number of areas ranging from learning disabilities to the Better Care Fund over the previous year following a joint agreement with CLCCG to review all jointly commissioned arrangements in November 2018.

- Garside House is a Continuing Health Care Nursing Home and patients are placed and admitted to this home by Central London CCG, who are responsible for overseeing their health and care. It has therefore been critical that we act in partnership with health in ensuring that patients at Garside House are appropriately cared for both from a clinical and safeguarding perspective.

Delay to Social Care Green Paper

Ongoing delays in the government publishing the Social Care Green Paper, increasing reliance on short term funding mechanisms.

Impacts and consequences

There is lack of clarity around mechanisms for ensuring the effective longer-term funding of adult social care, with several existing funding streams (e.g. Better Care Fund) having short term programmes rather than providing clarity promised by the government.

Mitigation and progress

Savings plans, and improvement activity is in place to increase the efficiency of services, ensuring most effective utilisation of the budget available. The government has stated it will bring forward proposals in due course for Social Care but has not specified a timescale. The Green Paper and its recommendations will be impacted by the upcoming General Election.

Fragility of the Care Market

Pressures on the local care market including staffing, training and development and financial pressures are resulting in the local markets being “fragile”.

Impacts and consequences

Inability to provide services to the number of clients requiring care or support. Impact on the quality of care provision.

Mitigation and progress

- Identified and prioritised business critical contracts and services to enable us to focus on their ongoing sustainability. These contracts are primarily statutory and those where services must be provided within 24 / 48 hours in the event of a failure – e.g. residential and nursing homes and home care.
- Established protocol in place that sets out the key roles and responsibilities and gives guidance to officers to provide a means of continuing business functions and ensuring the wellbeing of residents, in the event of disruption or failure of a provider due to a variety of reasons, whether planned or unplanned.
- Provider market failure is taken on a case by case basis. Last home care provider market failure resulted in all customers being transferred to one of our patch providers at no extra cost other than staff time.
- The Quality Team is working with local providers across Westminster and Kensington and Chelsea to focus on improving the quality of care provision.
- Working with all providers that require improvement in order for them to obtain a Care Quality Commission (CQC) rating of “Good” as a basic minimum standard.
- Utilisation of the improved Better Care Fund (iBCF) grant funding to support the local care market.
- Working with the West London Alliance (WLA), placement data has given a vital data source to compare prices paid by all London boroughs for all residential and nursing placements commissioned in London boroughs.
- A 3% uplift to the market was awarded in 2019/20 in recognition of the legitimate cost pressures being experienced the sector and to support its ongoing sustainability.

- Credit and finance checks are carried out routinely on key strategic providers – care homes, homecare so that officers are appraised of their current financial standing.

Health Protection (Pandemic Flu)

There is a risk of a Flu Pandemic which will impact residents, visitors and workers.

Impacts and consequences

Impact would include increased morbidity and mortality of residents, visitors and workers and will impact on business continuity and the local economy. Unimmunised vulnerable groups are particularly susceptible to greater impact. Which cohorts are most vulnerable would depend on both the bug/strain type and the strike rate.

Mitigation and progress

Mitigation includes:

- Public Health have developed a Health Protection Protocol and will be reviewing the Pandemic Flu Plan to ensure a robust plan is in place.
- A planned review of the Pandemic Flu Plan through the Borough Resilience Forum.
- Health protection/ immunisation campaigns, including supporting residents to receive key vaccines, running clinics at university freshers fairs and promotion through a variety of other on and offline channels.
- Communications campaigns to encourage uptake of flu immunisation in eligible groups (e.g. immunocompromised, pregnant women, young children) and staff.
- Ensure WCC front line staff are aware of key flu messages and disseminate uptake messages to vulnerable groups.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	Q2 Target assessment definitions	Off track Failing to achieve the minimum target level Projected to exceed target Projected to exceed ideal target level Meeting target On track to meet ideal target level Minimum standard met Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	Ideal	Aspirational			

Adult Social Care

1. Total number of new permanent admissions to residential/nursing care of people aged 65 years and over	98	105	→	95	→	85	30	Meeting target	Benchmarking: In 2017/18, the number of admissions per 100,000 was 315.2, below the average for all London boroughs.
2. Delayed transfers of care, acute days attributed to social care (cumulative)	848	1,213	→	1,103	→	1,047	410 (As at July 2019)	Meeting target	
3. % of carers (caring for an adult) who have received an assessment of review of their needs	90.6%	80%	→	90%	→	95%	52% (435/906)	Projected to exceed target	Insight: The data shown in the numerator is cumulative 52% of performance has been achieved in the first two quarters which is well above the expected position for the year to date.
4. % of service users receiving an assessment/review	85.8%	80%	→	90%	→	95%	51% (1,272/2,501)	Meeting target	

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal			

Public Health – data reported a quarter in arrears. Q1 data reported below.

5.	% of children who receive a 2-2.5-year development review	70%	75%	→	80%	→	85%	65.9% (404/613)	Off track	
	<ul style="list-style-type: none"> Service commentary: This data covers Q1 only. The appointment booking process is being reviewed to ensure all children are sent an appointment for their development review. We are currently undergoing a programme of redesign work which will determine our future commissioning model for this area. We are looking to pilot an alternative delivery of the 2.5 year development reviews. The outcomes from this pilot will inform the future model and impact on performance. The service redesign work with Transformation colleagues combined with the Early intervention Foundation Academy should provide opportunities to deliver this development review using experience from 5 other local authorities. Mitigation: Appointment booking process under review <ul style="list-style-type: none"> Pre-birth to five years transformation programme underway Currently exploring alternative ways of delivery utilising the wider early years workforce and technology. Timeframe for improvement: Outcomes of pilot will determine the timeframe for improvement. Pilots due to end Summer 2020. 									
6.	% of alcohol misusers in treatment, who successfully completed treatment and did not re-present within 6 months	36.96%		→	35%	→	40%	37.80% (185/490)	Meeting target	
7.	Community Champions - Number of residents reached through activity	16,962	10,000	→	12,000	→	14,000	3,984	Projected to exceed target	Insight: On track to exceed annual target. The target is not fixed into any contracts but rather an aspirational level the service aims to achieve.
8.	% of opiate misusers in treatment, who successfully completed treatment and did not re-present within 6 months	7.09%	Mid Percentile	→	7%	→	7.37%	7.20% (40/559)	Meeting target	Benchmarking: Latest published figures available for Q1, these show Westminster as being in top Quartile for their comparator group
9.	Stop Smoking Services – number of 4 week quits	1,020	820	→	920	→	1,020	258	Projected to exceed target	Insight: Annual Stop Smoking figures have been published, putting Westminster as Second top performer nationally.
10.	Total Sexual Health Screens Undertaken through E-services	5,862	8,000	→	9,000	→	10,000	3,820	Projected to exceed target	
11.	Screening Positivity rate (% screens resulting in diagnosis)	1.93%	5%	→	4%	→	3%	2.62% (343/13,067)	Projected to exceed target	Targets are monitoring levels. A high percentage of positive screenings could signal incorrect referrals to the service.

City for All Tracker

The table below provides a progress update at quarter 2 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
Caring and fairer city		
We will be opening a new 84-bed home to provide specialist care for people living with dementia as part of a wider dementia strategy to support those and their families living with this difficult illness.	On track	<ul style="list-style-type: none"> Physical completion of the works at Beechcroft continues and is scheduled for March / April 2020, so ready for occupation after commissioning and registration scheduled for July 2020, which is when the moves from Carlton Dene & Westmead will begin.
Healthier and greener city		
We will launch a new healthier schools programme, bringing together action on air quality, oral health and obesity to make sure the 42,600 children who live, learn and grow up here get the best start in life.	Completed	<ul style="list-style-type: none"> The new Healthy Schools contract, provided through the health education partnership (HEP), has shown a positive promotion of a whole system approach to health and wellbeing across our schools. The service is aligned with the Healthy Schools London programme and has been identified as an example of good practice. The new Bi-borough Change4Life programme is an integral part of the whole system approach to the health and wellbeing of our local children and young people. This programme includes the procurement of a new healthy families and healthy communities service model.

1.2 Children's Services

Achievements

Children's Services rated 'Outstanding' by Ofsted

Westminster, Kensington & Chelsea and Hammersmith & Fulham all received notification that they were to be inspected between 2nd September and 13th September. While all three boroughs were inspected as separate sovereign authorities, due to the shared services: Multi Agency Safeguarding Hub, Emergency Duty Team and Fostering & Adoption Service, this was coordinated by OFSTED to take place concurrently.

Outputs delivered

The inspection while challenging, went extremely well and provided an opportunity to show our many strengths and for our workforce to shine. The council was able to give inspectors all the information required to inform their judgements and arrange an extensive programme of inspection visits to social work teams, key partners and interviews with the Council's leadership. The reports for Kensington and Chelsea and Hammersmith and Fulham will be published at the same time.

Outcomes achieved

The service, its teams and leadership were highly praised and described as 'excellent' by the assessors who looked at all aspects of child social work. In particular, Westminster City Council provides excellent services for vulnerable children resulting in long-term positive changes for children and families.

Ofsted judged Westminster's Children's Services to be outstanding for the impact of leaders on social work practice; the experiences and progress of children who need help and protection; the experiences and progress of children in care and care leavers and for the service's overall effectiveness. Both Westminster City Council and RBKC are the first local authorities in the country to sustain and improve upon their previous 'outstanding' rating.

Ofsted concluded that excellent services for vulnerable children in the city result in positive enduring change for children and families. They praised highly skilled, experienced social workers and other frontline practitioners who provide sensitive and innovative child-centred interventions.

Early Help services are described as exemplary with highly skilled assistance for children at risk and Ofsted noted that children who do come into care are provided with highly dedicated care and support. Inspectors observed that Leaders are tireless and curious in their approach to practice.

A full copy of the report can be found on the Ofsted website [here](#).

GCSE and A Level results continue to be well above national averages

Outputs delivered

Westminster's **GCSE results** for 2019 have shown an improvement in all the headline measures compared to last year and **A Level results** for 2019 have shown an improvement in grades A* to B compared to last year.

When compared to the provisional 2019 National GCSE results they are significantly above; +0.5 for Progress 8 (P8), almost 7 points for Attainment 8 (A8) and at least 10 percentage points above for every pass grade 4-9/5-9 measure. Westminster is top in inner London for Progress 8.

Table below compares Westminster's A level results to the provisional National results for 2019. For each grade grouping, Westminster is performing above the national averages.

National Comparison Chart for Westminster A Levels

	Westminster Results	Provisional National Results
	2019	2019
A*	10%	8%
A*-A	33%	25%
A*-B	62%	51%
A*-C	83%	75%
A*-D	94%	91%
A*-E	99%	97%

For **Key Stage 2**, 71% of children in Westminster Primary Schools achieved the expected standard in reading, writing and mathematics which is significantly above the national average of 65% for 2019.

Outcomes delivered

GCSE results from 2019 for Westminster

School	Measure (DfE preferred)			
	Attainment 8	Progress 8	5-9 (equivalent to A*- C) in English & maths	English Baccalaureate Average point score per pupil
Ark King Solomon Academy	58.1	0.97	56%	5.62
Harris Academy St John's Wood	54.2	0.73	51%	4.75
Paddington Academy	54.6	0.95	56%	5.29
Pimlico Academy	53.0	0.56	50%	4.89
St Augustine's High	49.7	0.16	52%	4.20
St George's Catholic School	50.8	0.47	42%	4.38
The Grey Coat Hospital	63.8	0.76	73%	6.00
The St Marylebone CE School	62.1	0.81	66%	5.52
Westminster Academy	51.7	0.35	55%	4.78
Westminster City School	48.3	-0.07	41%	4.15
Marylebone Boys' School	49.6	-0.20	57%	4.71
Sir Simon Milton UTC	40.4	-0.62	30%	3.76
Westminster	53.3	0.48	53%	4.84
NATIONAL	46.7	0.00	43%	4.08

A Level results from 2019 for Westminster

School	Measure (all proportion of grades awarded)			
	A*	A* to A	A* to B	A* to C
Grey Coat Hospital	12%	34%	63%	84%
Kings Solomon Academy	1%	27%	53%	79%
Paddington Academy	8%	29%	66%	90%
Pimlico Academy	3%	25%	63%	85%
Harris St John's Wood	2%	15%	52%	81%
The St Marylebone School	12%	38%	70%	90%
Westminster Academy - IB	7%	30%	64%	89%
Westminster City	1%	14%	30%	55%
St George's	4%	18%	43%	73%
St Augustine's High	7%	20%	41%	69%
Sir Simon Milton UTC			7%	36%
Harris Academy Sixth Form	18%	48%	75%	91%
Westminster	10%	33%	62%	83%
NATIONAL	8%	25%	51%	76%

Publication of guidance for Parents/Carers if they have concerns about knife crime/gang affiliation

The Serious Youth Violence Task Group has led on producing a guide for parents and carers about serious youth violence, knife violence and gangs. The guide has now been printed and is being circulated to parenting groups, libraries, GPs, youth clubs, Family Hubs and voluntary sector groups, with plans to circulate the electronic version more widely, for example, to schools.

Outputs delivered

The guide provides a glossary of facts, practical advice to look for signs of a child's involvement, as well as tips on how to speak to a child about these issues and how they can seek further help or support. It outlines in plain English the laws around carrying a knife and offensive weapons, why young people might carry weapons and why they might join gangs. It provides a summary of what is meant by 'County Lines' and 'Grooming' two terms often used in the media.

Outcomes achieved

The guide has received very positive feedback so far and a further print run will take place. The booklet is now being translated into a number of languages and translated versions will be available electronically. We hope that parents and carers will be better informed about risks to children and young people and better equipped with accurate information to positively influence young people's choices. A copy of the leaflet can be found here: <https://www.westminster.gov.uk/gangs-your-choice>

Risks and issues:

If serious harm comes to a child or young person to whom we have a duty of care for

Impacts and consequences

The death of a child has significant and widespread emotional and lifechanging impact on all those connected to the child. In addition, there is also an impact for the local authority including potential reputational impact if the local authority and/or partner agencies were in any way at fault or seen to be at fault.

Mitigation and progress

For children or young people to whom we have a duty of care there are safety, reliability and quality assurance processes in place to keep children safe. How we recruit and train our staff and continuously improve work including through Practice Week and focused audits of work with children all supports safe practice. Activities are monitored by the Local Safeguarding Children's Partnership to ensure lessons are learnt from case reviews and staff are expected and encouraged to attend safeguarding and other relevant training. In the event of harm or a child death there would be a co-ordinated response (including corporate teams) and working with other agencies to ensure appropriate action is taken.

An increase in Serious Youth Violence in North Westminster

Youth violence statistics relate to the victim of a crime who is aged 19 or less. Across the Metropolitan Police Service offences increased by 1% compared to the previous year, compared with a 58.4% increase in WCC (792 in Sept 18 – Aug 19, 500 in Sept 17 – Aug 18.) Westminster accounts for 9.6% of all youth violence victims in London. Currently, as a daily average, there are 2.1 victims of youth violence in Westminster compared with 1.4 a year ago. It should be noted that the figures are likely to be significantly impacted by offences in the West End which make up the majority of violent crime in Westminster.

In the last year **knife crime** has increased by 48% in Westminster compared with a 1% decrease across the Metropolitan Police Service (MPS). 18% of all knife crime in Westminster was with injury compared with 27% across the MPS. There were 197 knife with injury victims over the last year in Westminster, 85 were aged 1 – 24. The vast majority (84) were not linked to domestic abuse. 29% of knife offences were knife possession in Westminster compared with 36% across the MPS.

Impacts and consequences

The death of a child has significant and widespread emotional and lifechanging impact on all those connected to the child. In addition, there is also an impact for the local authority including potential reputational impact if the local authority and/or partner agencies were in any way at fault or seen to be at fault.

Mitigation and progress

- A criteria for referral to the Council's targeted Early Help service is that young people are victims of crime or are those directly involved in antisocial behaviour and youth crime.
- An early help inclusion pilot is focusing on preventing exclusions which are seen as a strong precursor to gang involvement/ recruitment. The pilot has 3 parts: trauma informed training, using the ARC (attachment, regulation, competency) framework, an intensive family intervention and the offer of mentoring. The trauma informed approach ensures that all involved are viewing behaviour through the same lens. It is an approach that understands that the cause of behaviour may be trauma and that children who are traumatised will need a different response than sanctions. It is an approach that is compassionate and includes rather than excludes.
- As a pilot, an Early Help Family Practitioner is now co-located in Marylebone Boys and Beachcroft Academy (each 2 days a week).

- The development of three local family hubs for families to access early support, with three youth hubs as an integral part, will deliver more joined up support and a greater variety of activities to encourage positive engagement by young people.
- Recent publication of guidance for Parents/Carers if they have concerns about knife crime/gang affiliation.

An increase in Look after Children

If Looked after Children numbers start to rise, due to an increase in Unaccompanied Asylum Seekers (UASC) there will be an increasing demand for placements. The number of UASCs has increased from 89 to 96 between Quarter 1 and Quarter 2 of 2019.

Impacts and consequences

The increased demand in Looked after Children placements creates a resourcing and financial pressure for the Council. Without mitigation, this is likely to lead to overspend. The Pan London rota, a voluntary agreement between councils to share responsibility for safe care of unaccompanied migrants, continues to operate but there is limited spare capacity across London. Most authorities are now at their required quota (set by central government) of 0.07 unaccompanied asylum-seeking children (UASCs) per 10,000 population, limiting the Pan London transfer scheme to small numbers of transfers from Croydon. This means that the potential number of UASCs coming into the authorities (especially for Westminster) may increase dramatically in the coming financial years. The numbers of UASC arriving in Westminster are likely to remain the responsibility of the Council. Modelling, using trend analysis, highlights a net financial increase in Looked After Children due to numbers of UASC presenting of £0.650m per annum, reflecting an average increase of 49 children per annum cumulatively.

Mitigation and progress

Regular review and monitoring of current placement costs including a breakdown of how these costs are made up. We will be implementing a new Placement Strategy in 2019/20 as part of a wider transformation review of Looked After Children Placements. A Looked after Children tracker and financial placement models are in place to monitor numbers, need and cost.

The spending review announced an increase in the daily rate for those UASC who are under 18 years of age, but there has been no shift in respect of former UASC who are now care leavers and remain the responsibility of the local authority where they initially presented. This increase is helping reduce the financial demands on the service. A paper is due to be presented for a capital 'invest to save' bid to acquire new accommodation to satisfy the demand for UASC placements.

Along with other local authorities we have continued to lobby government in light of the lack of success of the National Transfer Scheme in relieving pressure on local authorities with high numbers of spontaneous arrivals, however there are no current planned legislative changes. Local authority regions are collectively working on a proposal for a national rota however this is still in the developments stage and it remains unclear whether all authorities would voluntarily commit to this.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability				Q2 Target assessment definitions	Off track Projected to exceed target Meeting target Minimum standard met	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
Key performance indicator	2018/19 position	2019/20 target ranges				Position at Q2	Target assessment	Other contextual insight
		Minimum	→	Ideal	→	Aspirational		
1. % of Westminster schools judged to be outstanding by Ofsted	34% (20/59)	27%	→	32%	→	37%	34% (20 of 59) Meeting target	Insight: Please note that there may be potential risk as many of our outstanding schools have not had an Ofsted inspection in more than six years (c.f. The Grey Coat Hospital School, Ofsted Inspection 2009)
2. % of Westminster's pupils who achieve 9 - 4 (A*-C) in English & mathematics	74% (2018 year)	74%	→	76%	→	78%	75% Meeting target	Insight: Provisional results for 2019 represent an increase to 75% from 74% in 2018. Performance remains above the 2018 National rate of 59% and Inner London rate of 66%.
3. To promote independence of young people by offering Independent Travel Training	2	2	→	3	→	4	NA NA	
<ul style="list-style-type: none"> Mitigation: Recruitment for two Independent Travel Training officers will begin mid-November who are likely to be offering training from January 2020 onwards. Timeframe: January 2020 training to recommence. 								
4. Increased proportion of Education, Health and Care assessments which are completed within 20 weeks	89%	60%	→	70%	→	75%	100% (35 out of 35) Projected to exceed target	
5. % of children who reach expected levels for reading, writing and maths at the end of primary school	72% (2018 academic year)	58%	→	68%	→	73%	69% Meeting target	Benchmark: Provisional 2019 results published in August 2019 indicate a decrease to 69%. Performance remains above the 2018 National rate of 65% and Inner London rate of 69%.
6. % care leavers in education, training or employment (at age 19, 20, 21) (excluding those not in touch)	63%	50%	→	60%	→	80%	72% Meeting target	Service Commentary: As at 2019-20 Q2, 72% of Care leavers aged 19,20,21 who have had a birthday in the quarter. Nationally, Westminster achieves higher rate of Care

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			
					Leavers aged 19-21 in EET when compared with the most recent England 2018 rate of 51% and London rate of 53%.		

City for All Tracker

The table below provides a progress update at quarter 2 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
Caring and fairer city		

City for all Pledge	Delivery Status	Progress update
<p>We will prioritise resources to support our most vulnerable children. We are offering a package of help to the 700 children with special education needs and their families, including a short-breaks offer. We will pilot a new approach to tackling the root cause of exclusion from primary school, helping every child thrive in the classroom</p>	<p>On Track</p>	<ul style="list-style-type: none"> Feedback from all families that took part in the short break play scheme pilot was very positive and the pilot was extended to run again during October Half Term and Christmas Holidays. This has enabled us to offer a service locally and fund outings and trips that offer better experiences for the children. 5 additional families have signed up and will be using the offer moving forward. The register of Disabled Children is in place to support service planning and improve communication with families. To date 70 Families have registered. To encourage more families to register, we are now introducing the MAX card. It is a recognised discount card for children with additional needs and it offers discounts on a huge range of activities nationwide. We have also taken over the health notifications from Health. Families receive a letter from us welcoming them to the Local Authority and introducing them to the Local Offer. We then follow this up with a phone call and a meet up where the Front Door Officer can signpost as needed or take a referral for the Short Breaks Service. The school inclusion pilot introduces a trauma-informed approach to the management of behaviour in schools for all pupils. It has engaged four primary schools, the Westminster Education Centre and the Primary Unit at Beachcroft, TBAP. There are 3 parts, trauma informed training, a family intervention and mentoring. So far, 102 staff including representatives from a wide range of agencies have received the training, a menu of mentoring opportunities has also been made available to provide support for children outside of school both during the pilot and beyond. To date, 17 families have been identified by the schools as being at risk of exclusion and consent has been received to proceed with work with the majority of these. In June 2019, a trauma informed conference was held to share the approach and showcasing one school's journey to become a trauma informed community. This will be shared further with secondary schools and Early Help are keen to adopt this approach in their work with schools. Headteachers are providing information on progress and we can state that: 7 of the 8 of the children in year 6, working with the School Inclusion Pilot Practitioners passed/exceeded expectations in Key Stage 2 SATS. The eighth child has an EHCP and the school were very pleased, that with support, he attended and sat all the SATS tests. He did much better than expected. He passed maths. He has an EHCP for speech and language difficulties; across the cohort of 21 children currently on the pilot caseload, all teachers gave improved scores on bespoke analytical tools following intervention, especially for behaviour in school, peer relationships and communication between home and school; the School Inclusion Pilot has also supported the re-integration to mainstream school of 3 secondary age children who have had a placement at WEC and 2 children who have been at Beachcroft Primary PRU.
<p>City of opportunity</p> <p>We recognise that we have some of the best schools in the country. We will do all we can to make sure they continue to receive the support needed to maintain the highest standards.</p>	<p>On Track</p>	<ul style="list-style-type: none"> 34% of Westminster Schools are currently judged outstanding by Ofsted. Which compares very strongly to average national figure which currently stands at 21% and a London average of 32% and is in line with minimum targets for the service. The target was set when all schools had 2-day inspections and could move up to outstanding position, which is now not the case. Please note that there may be potential risk as many of our outstanding schools have not had an Ofsted inspection in more than six years.

City for all Pledge	Delivery Status	Progress update
City that offers excellent local services		
<p>We will continue to invest in and maintain the highest standards in our outstanding children’s services as rated by Ofsted.</p>	<p>On Track</p>	<ul style="list-style-type: none"> • Ofsted inspected the council's children's services in September. Westminster’s children’s services were judged to be outstanding for the impact of leaders on social work practice; the experiences and progress of children who need help and protection; the experiences and progress of children in care and care leavers and for the service’s overall effectiveness. • Ofsted concluded that excellent services for vulnerable children in the city result in positive enduring change for children and families. They praised highly skilled, experienced social workers and other frontline practitioners who provide sensitive and innovative child-centred interventions. Early Help services are described as exemplary with highly skilled assistance for children at risk and Ofsted noted that children who do come into care are provided with highly dedicated care and support. Inspectors observed that Leaders are tireless and curious in their approach to practice.

1.3 City Management and Communities

Achievements

Trialling innovative 'upcycled' Electric Refuse Collection Vehicles (eRCV)

Outputs delivered

Two of our 26 tonne refuse collection vehicles, which previously ran on diesel have been upcycled with new electric engines. These vehicles have been engineered to solve the industry-wide challenge of eRCV battery life. The electric engine will only release power when the vehicle is active, rather than running continuously, as is required by diesel models. This means that despite power-draining factors that include fluctuating vehicle weight, frequent stops and starts, and multiple operations of the bin lift, they are expected to efficiently run for a full shift with no emissions produced. The project is backed by a grant from Innovate UK, which has helped fund the 18-month renovation process as well the upcoming two-year trial. The total grant for the project was £1.73m with Westminster being directly awarded £221,724.

Outcomes achieved

These two electric vehicles are being robustly tested across a range of different collection routes to verify their reliability and resilience. This testing will inform the procurement of the new fleet of waste collection vehicles. If successful, the vehicles will substantially reduce carbon emissions and air and noise pollution, working towards a cleaner and greener City.

Award winning services across, delivered by award winning staff

Outputs delivered

We are delighted to report that our services have been recognised nationally for the work that they are delivering.

- We have been awarded the Gold Animal Licensing Activity PawPrint Award, recognising the good work in relation to stray dogs, animal licensing and housing.
- We have been awarded the RHS Britain in Bloom 'City of the Year' award, the first time this has been achieved since 1990. In addition, we received excellent results from the London in Bloom competition this year with gold awards for us across the City, as well as winning Park of the Year for Victoria Embankment Gardens. Across Westminster we achieved 11 medals, for our parks, gardens and cemeteries.
- Westminster Recycling Champions have won the #MyWestminster Community award for 'Outstanding Contribution to the Local Area in Built Environment'.
- The Bond Street redevelopment won the New London Architecture awards for 'Public Spaces - Built Category', This award recognises new or rediscovered spaces, parts of London that have been given new life through improvements to streets.
- Our Waste and Recycling Team were shortlisted for the 2019 LARAC (Local Authority Recycling Advisory Committee) awards 'Best Team of the Year' category. The team beat off stiff competition from other local authorities from across the UK to be shortlisted by demonstrating an exceptional level of team work and showcasing their various successful projects.

Outcomes achieved

In addition to the awards for the outstanding innovation and the exceptional service our teams deliver, none of this would be possible without the excellent staff working within the directorate. There were 248 nominations this year at the Westminster Staff Awards. We are delighted to report that the Leader of the year at Westminster staff awards went the Head of Library Services and was the 4th leader of the year to come from directorate. Congratulations to also to Team Sayers Croft who took home City for All Outstanding Achievement Award.

New community studio at Paddington Recreation Ground

Outputs delivered

Funded through the Community Infrastructure Levy, in partnership with Everyone active, Community Services have completed a community Studio at Paddington Recreation Ground. Following a 30 week build programme. The project completed on time and budget to produce a brand new 132sqm Community Studio. The community suite will allow Paddington Recreation Ground to offer a wide range of exciting group exercise classes including group cycling as well as soft-play and other community activities. On the launch day (Monday 23rd September) members of the public attended a reception to launch the new suite with a group cycling class and following Saturday the community was invited to take part in a completely free workout extravaganza taking place from 8am until 6pm.

Outcomes achieved

This facility will provide a fully inclusive community space that can be used flexibly for a range of purposes. Overall this new space enhances the award-winning Paddington Recreation Ground and provides new opportunities to local neighbourhoods and the wider 1.3M visitors to this venue a year.

Risks and issues:

Crime levels

Crime in Westminster continues to rise at a far greater (28%) rate than across the Metropolitan Police Service (6%). Whilst crime levels increase, detection levels continue to decline. Only 5.9% of crimes in Westminster were 'solved' over this review period. These increases have been coupled with the implementation of the Borough Command Unit (BCU) model in Westminster, Westminster, which reduced the number of officers in Westminster by 200.

Impacts and consequences:

Of particular concern, is Knife crime, which has increased by 56% in Westminster over the last year. The greatest increase was in knife crime without injury (67%) whilst knife crime with injury has increased by 19%. There were 85 victims of knife crime aged under 25 years over the last year, compared with 75 in the previous year. Sadly, there were 4 murders in Westminster in the year to July 2019. The tragic murder of a 17-year-old on the 10th September in Edgware Road, highlights the consequences of the increasing levels of violent crime in Westminster.

Mitigation and progress

The Integrated Gangs and Exploitation Unit is at the forefront of safeguarding young people from the risks of violence and exploitation and works with schools, agencies and community groups to engage those at risk.

Furthermore, the Serious Youth Violence Task Group continues to work together across Council departments, the MPS and with partner agencies to adapt to the changing nature of violence in Westminster. The task group created a serious youth violence toolkit for parents and carers in Westminster to share practical advice on signs to look for, advice on how to speak to their child about this issue and where to seek further support. The leaflet has been well received and widely distributed across the City, so much so that we are printing additional copies and translating it into more languages. We are working closely with the police to draw additional support from the Violent Crime Task Force to specifically target knife crime and serious youth violence and provide reassurance to our communities.

Following the murder in September, we have introduced a new protocol to ensure we provide the right support to victims and their families. We have introduced a dedicated youth engagement officer to work closely with local communities, to understand their concerns and work with them to tackle the drivers of violence.

The Safer Westminster Partnership (SWP) is the statutory Community Safety Partnership for Westminster, and its aim is to ensure responsible authorities work together to reduce crime and disorder. The SWP will meet in November to assess the increase in crime and to set the priorities for partners to work together to reduce crime and disorder. We continue to lobby for additional police officers for Westminster.

Increase in rough sleeping

There was an increase in the number of hotspot locations for rough sleepers' encampments across the City (where groups of 4 or more are sleeping together). Specifically, on our housing estates in the North and South of the City such as Lillington and Longmore Estate and Hallfield Estate. In July, we saw a 68% increase in the number of EEA nationals from the last count increasing from 132 to 232. Rough sleeping is harmful and dangerous, and long-term homeless is associated with a significantly lower average age of death. Additionally, evidence from the City Survey suggests anti-social behaviours often associated with the street population, such as begging, drug activity, street fouling and low-level intimidation, are a concern for our communities.

Mitigation and progress

We are increasing the number of outreach teams working in our housing estates and have set up a floating hub operated by St Mungo's within the Hallfield estate to quickly assess those who are rough sleeping in the vicinity and provide immediate routes away from the streets. Our hidden network campaign is highlighting the work of dedicated professionals and volunteers, alongside campaigning for additional contributions to the work our partners do in this area. In response to the increase we have increased the number of officers working within our Integrated Streets Engagement Unit, who have engaged with over 650 people between July and September. However, in order to achieve the government target, we recognise that systematic reform is required and are working our partners to lobby for change. The flow of new EEA national rough sleepers is likely to be impacted by freedom of movement and immigration policies.

Seymour Leisure Centre remodelling and reprovision of Marylebone Library as a co-located facility

Impacts and consequences

Marylebone library is in a temporary location leased until 2022/23 with an expectation that a larger, more extensive facility will be provided to serve the Marylebone neighbourhood during this time. The existing leisure centre requires extensive modernisation within the confines of its Grade II listed building status. There is a potential failure to maximise identified project benefits of colocation including health and well-being, community and learning benefits. Significant reputational, financial and service delivery risks to Council.

Mitigation and progress

The project team are developing a strategic outline business case that will be presented to Cabinet Members, whilst working with both internal departments and external specialists to help overcome several challenges that come with redeveloping an ageing, Grade II facility into a modern, sustainable collocated services for the future. This includes working through Sport England's Strategic Outcomes Planning Guidance to demonstrate why the project is a high priority to not only safeguard the facility for the future and also maximise the benefits of collocating public services within one community destination.

The team are committed to ensuring the development is delivered before the end of the lease in March 2023. The constraints of the its Grade II listed building status are challenging and are working with partners to overcome these, however timescales may change due to nature and complexity of the project.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	Q2 Target assessment definitions	Off track Projected to exceed target Meeting target Minimum standard met	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

City Highways

1. % of urgent lighting defects made safe within agreed timescale	97%	95%	→	98%	→	100%	100% (203/204)	Meeting target	
2. % of carriageway and footway defects repaired or made safe within 24 hours	99%	95%	→	98%	→	100%	99% (94/94)	Meeting target	

Public Protection and Licensing

3. % of total licences issued within 28 days from the publication date of the Licensing Sub-Committee decision.	39%	70%	→	80%	→	90%	85% (102/120)	Meeting target	
4. To complete all high risk food premises inspections (category A-B)	420	350	→	367	→	367	121	Off Track	<ul style="list-style-type: none"> Service commentary: In the year to date there has been a high turnover of staff, followed by an intensive focus on recruitment to ensure there are sufficient resources in post to complete our service objectives. All new staff are now trained, and any shortfall in the target in this quarter will be made up in Q3, and Q4. We have mapped out the inspections required to meet the target and officer are in place and able to undertake the inspections required. We are satisfied that we are able to meet this target by the end of the year. Mitigation: Inspections are managed locally in area teams by food lead officers and monitored on a monthly basis by our Senior Leadership Team. Data integrity is regularly checked through new reports that have been set up. We are meeting with the FSA regularly and they are satisfied that we are able to meet the statutory requirements for food. Timeframe for improvement: By end of year

Key performance indicator	2018/19 position	2019/20 target ranges				Position at Q2	Target assessment	Other contextual insight	
		Minimum	→	Ideal	→				Aspirational
5. Number of Houses of Multiple Occupation improved (buildings with more than one household including shared facilities)	54	50	→	65	→	75	30	Minimum standard met	
<ul style="list-style-type: none"> • Service commentary: Performance for year to date only slightly behind ideal target. There are a number of cases across the team which are in progress and expected to complete by years end to achieve target. In addition, a recent proactive street survey of predicted HMOs is producing some additional properties for intervention. • Mitigation: Ongoing case management of cases to ensure necessary improvements are carried out, as well as ensuring proper recording of work is taking place • Timeframe for improvement: By end of year. 									
6. Number of hazards removed from residential dwellings which pose a serious and immediate threat to people's health or safety	436	400	→	500	→	600	353	Meeting target	Insight: There is ongoing work to build intelligence in this area, which will include more information around prevalence of housing hazards. The English Housing Survey 2016-17 estimated that 15% of private rented dwellings contained at least 1 Category 1 hazard.
7. % of licensed premises that are safe and well managed following a single inspection.	82%	65%	→	70%	→	100%	85% (102/120)	Meeting target	Insight: This ensures that Westminster residents and the public have access to safe bars and restaurants across the city
8. Number of vulnerable residents supported to continue living in their homes	1,065	600	→	800	→	1,000	516	Projected to exceed target	
9. % of women accessing specialist domestic abuse services who report a reduction in abuse	95%	75%	→	75%	→	80%	84%	Projected to exceed target	Performance this quarter was 94%, with the year to date figure as 84%
Physical Activity, Leisure & Sport (PALS)									
10. Total participation in Council physical activity, leisure and sport activities	4.07m	3.5m	→	3.7m	→	3.8m	2.09m	Meeting target	The year to date figure does not include September's figures as they are being calculated. We are on track to meet the target for 19/20.

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

Parking

11. Ensuring parking compliance across the City is over 97%	98%	97%	→	98%	→	99%	98%	Meeting target	2018 City Survey: 82% of residents were satisfied with Council parking services
12. Ratio of residential permits issued against parking bays available on the street	99%	85%	→	90%	→	95%	89.65%	Meeting target	

Waste & Parks

13. % of streets in Westminster that pass the street score survey for litter	97%	98%	→	98%	→	98%	99.21%	Projected to exceed target	
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Libraries & Registration Services

14. 2% increase in real and virtual visits to libraries	-3.4% (1.96m visitors)	1%	→	2%	→	3%	1.15m Visitors 17%	Projected to exceed target	Insight: Assessment based on continuation of current rate of visits to libraries in Quarters 3 and 4
15. % of appointments to register births available within 5 days of enquiry	95%	95%	→	95%	→	98%	96.19% (2,219/2307)	Meeting target	
16. % of satisfied users across the Libraries Services (City Survey)	94%	85%	→	90%	→	95%	94%	Meeting target	Insight: 92% of residents were satisfied with Council Libraries Services in the 2017 City Survey

City Management and Communities

17. Number of Emergency planning exercises completed	17	6	→	7	→	10	9	Meeting target	Insight: These are drills run within directorates to simulate emergency situations (e.g. terror attacks),
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City for All Tracker

The table below provides a progress update at quarter 2 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
City that offers excellent local services		
By the end of 2019 we will license buskers and street entertainers to make sure that residents and visitors get the best experience, and that new performers have a chance to shine.	Off track	<ul style="list-style-type: none"> We have been undertaking significant engagement with key stakeholders and have recently agree that we will test a variety of new approaches that aim to promote responsible busking and positive relationships across our City, whilst ensuring that in our hotspot areas we are doing all we can to keep the public safe and reduce the negative impact that busking can have on surrounding local residents and businesses.
We will extend our Licensing Charter across the whole of the city, working in partnership with the industry to set the standards for how venues take care of the welfare of patrons and be good neighbours.	On track	<ul style="list-style-type: none"> We are legally bound to review our Statement of Licensing Policy by Jan 2021. We are now looking beginning this process and will begin engaging with key stakeholders. We see this an opportunity to underwrite the principles of the Licensing Charter in the policy to support its role out across the city.
We will ask all power and utility companies to sign up to a new protocol to coordinate works so our streets and traffic are not needlessly disrupted.	Completed	<ul style="list-style-type: none"> Commitments with individual statutory undertakers have been agreed and delivered. The overarching protocol is subject to the drafting of an exchange of letters which is being agreed.
We have established the Housing Standards Task Force which has the dedicated job of making sure private renters are protected from rogue landlords and unlawful nightly letting does not overrun the city.	Completed	<ul style="list-style-type: none"> Current live cases are 1,316, cases relating to noise 154, cases relating to waste 184 and cases relating to ASB 18. 128 Short Term Lets Planning (STL) Contravention Notices served since 2018. Use of data protection notice request to obtain data from STL platform has met with some success. We have worked with WCC Housing to develop their procedure on dealing with illegal STL sublets and carryout joint inspections. Additionally, we are working on closely with the Portman Estate to tackle STL in their properties. Proactive work with City Inspectors to identify PCN relating to STL activities. Meeting upcoming with Airbnb after their approach and interest in discussing a registration scheme.
Caring and fairer city		
We will consult on a new gambling policy, leading the way nationally on setting the standards for the industry and protecting the most vulnerable in our neighbourhoods by providing better regulation of betting shops across the city.	On Track	<ul style="list-style-type: none"> We are reviewing the approach to licensing policy across the council. It is proposed to develop a more strategic approach to licensing so that it promotes a longer term approach to delivering our City for All aims. Therefore, it is planned to integrate the Licensing policies into on licensing policy for the city. This approach is being developed as part of the statutory review of the Licensing Act 2003 Licensing Policy review. A new revised licensing policy, which will include our approach to gambling will be out before full council for adoption in November 2020.

City for all Pledge	Delivery Status	Progress update
Caring and fairer city		
<p>We will fund a dedicated officer to support the work of our local neighbourhoods and the police to combat hate crime and discrimination as part of a new anti-hate crime strategy.</p>	<p>On track</p>	<ul style="list-style-type: none"> The hate crime commission has been appointed and the first meeting took place on 16th October to coincide with National Hate Crime Awareness Week. The commission will gather evidence to identify the barriers to tackling hate crime and make recommendations on how to improve reporting rates of hate crime and better support victims
Healthier and greener city		
<p>We will deliver a new £1m Schools Clean Air Fund, giving schools the resources, they need to tackle poor air quality.</p>	<p>On Track</p>	<ul style="list-style-type: none"> All schools were written to at the start of the academic year by Cllr Scarborough who is the lead member for the Fund, and the first audits for the School' Clean Air Fund have been undertaken by WSP. Additional information on the audits and funding are on the council's websites and are being disseminated to schools through our forums (teachers forums, governors forums etc). Officers are setting up fund application process with Cllr Scarborough to chair steering group reviewing and deciding on applications.
<p>Our new four-year ActiveWestminster strategy will ensure all our neighbourhoods have access to open spaces and sports facilities through developments like the new £28m Moberly Sports Centre</p>	<p>Completed</p>	<ul style="list-style-type: none"> As part of the ActiveWestminster Strategy we committed to removing prohibitive and restrictive signage and byelaws such as 'No Ball Games' and 'No Cycling', to create a more permissive and supportive environment for physical activity, leisure and sport, wherever possible and where appropriate. Officers are engaged in several actions to take this policy forward including the development of a specific policy on 'No Ball Games' and a full review of the Byelaws, working alongside colleagues from other service areas such as Parks and Open Spaces, Housing, Public Health and Children's Services. This in addition to the cross-portfolio work with Cabinet Members. Additionally, through our new City Plan 2040, we are developing a Playing Pitch Strategy (PPS), Built Facilities Strategy (BFS) and finalising the Local Football Facilities Plan (LFFP), which will also highlight the work on the 'No Ball Games' policy. Our overall ActiveStreets programme was formally launched on the 23rd August, at our first 'Play Street' on Luton/Fisherton Street. Residents and local organisations are contacting the Council to propose locations for future ActiveStreets; including possible further 'Play Streets', identified via residents at; Crompton Street and Northumberland Place and possible further 'School Streets', identified from the Mayor's school clean air audit at; St Clement Danes CE Primary School, St Peter's Eaton Square CE Primary School & Hallfield Primary School. Officers are finalising a formal draft 'Street Play' policy, as part of our overall ActiveStreets programme. The 'Street Play' policy facilitates temporary road closures for children and families to play in the street. The policy will make applying for a 'Street Play' session simple, free and include clear timescales and approval of applications. Westminster are a proud early-adopter of OpenActive, harnessing open data online to encourage more local people to take up physical activity. Officers are engaged in several actions to take further drive forwards the implementation of OpenActive via our ActiveWestminster website and app, working alongside colleagues from other service areas such as IT, PPC and Children's Services. This in addition to the cross-portfolio work with Cabinet Members.

City for all Pledge	Delivery Status	Progress update
<p>We will expand our network of 165 electric charging points by 25%, making it as easy as possible for people to switch to EVs.</p>	<p>Completed</p>	<ul style="list-style-type: none"> The City Council has a significant role to play in the expansion of the On-Street Electric Vehicle (EV) charging network, with the majority of residents parking their vehicles on-street. An EV charging infrastructure strategy has been formally submitted to the Cabinet Member and is pending approval. Additionally, a charge point expansion proposal was approved by the Cabinet Member which sets out plans for expansion over the next year for rapid, fast and trickle charge points, delivering a range of charging options to meet the varying demands from both residential and commercial EV user in the City. Six rapid charge points are now installed on the highway alongside taxi rest ranks with a further 6 pending UKPN connection. We are in the process of starting the procurement of a further 8 rapid chargers, half of which will be for taxis and the other half for public availability, as well as seeking to utilise TfL funding to introduce a further 10 thereafter for public availability. Through the Go Ultra Low Cities Scheme (GULCS) we are installing a further 198 lamp column charge points for residents, with completion scheduled in early October, and with a further 20 installations in addition to this planned for November. We have also installed 27 charge points through the BPL contract, made up of 7kW and 22 kW, and we are looking to introduce another 5 by the end of the year. There are currently 432 Electric Vehicle (EV) on-street charging points: 124 of these are in dedicated EV-only bays, 44 in dedicated car club bays, 5 taxi rapid chargers and a further 258 retrofitted into lamp columns. This means we have exceeded our city for all pledge target to expand our network of 165 electric charging points by 25%.
<p>We will launch a new Recycling Information Hub and roll out five neighbourhood pilots including the expansion of our 'In It To Win It' campaign, working with local neighbourhoods to achieve a step change in recycling rates across the city.</p>	<p>Achieved</p>	<ul style="list-style-type: none"> New web page added to the Council's website supporting the Street Waste Action Team (SWAT) project, including information on rubbish and recycling collections.
<p>We will expand #DontBeldle, setting the ambition for 1,000 businesses to sign up and play their part in reducing their own and their customers' emissions.</p>	<p>On Track</p>	<ul style="list-style-type: none"> Five main contractors for Westminster housing services have been contacted. Officers have also identified a further list of businesses to target to support the campaign. This list includes prominent companies that use vehicles around the City. Thank you, letters have been, drafted to those who have committed their support and will send this along with publicity materials for them to display in their vehicles and premises. The #DontBeldle campaign has been promoted throughout our resident and business channels, including in The Reporter, MyWestminster and Business newsletters, and on social media channels. To prompt action by residents, we will write to residents' associations to update them on the campaign and let them know how they can help. A plan to target schools is underway. This will include providing them with banners to display outside their front gates, providing information and leaflets for them to distribute to parents, and providing an air quality lesson plan to help raise awareness among children.

City for all Pledge	Delivery Status	Progress update
City that celebrates its communities		
We are consulting on a new market's strategy, listening to the views of residents, shoppers, visitors and traders on how we can keep the city's eight thriving local markets at the heart of local neighbourhoods. The new strategy roll-out in 2019.	Achieved	<ul style="list-style-type: none"> A strategy for Westminster City Council's markets 2019-2022 was published on the 20th March 2019 after a successful consultation. The strategy is available here: https://committees.westminster.gov.uk/documents/s31725/4.1.%20Market%20Strategy%20Final%20Doc.pdf. The team are working closely with traders to improve the infrastructure, including accessible Wi-Fi, improved electrics and storage facilities, implementation will commence in January. A sustainability project has been delivered in Tachbrook Market with the rollout of a deposit return lunchbox scheme
We will retain and support Westminster's libraries at the heart of our neighbourhoods.	On Track	<ul style="list-style-type: none"> Board report delivered to Cabinet and engagement/comms plan in development. Next steps are for engagement with staff. Stakeholders and residents/service users. These will take the form of workshop sessions for staff and stakeholders and multi-channel communications with residents including pop-ups in libraries, social media and public events. The engagement phase is expected to last into Q2 2019/20 and will be simultaneous with action planning.
We will introduce a new licensing policy by 2020 to ensure that Westminster remains a major night time destination, balancing the needs of residents, visitors and businesses.	On Track	<ul style="list-style-type: none"> PPC has begun the process of scoping the project for delivery in 2021. An internal kick off meeting is due to take place on 5th November.
We will introduce 20mph speed limits where residents tell us they want them.	Achieved	<ul style="list-style-type: none"> Plans to introduce a 20mph speed limit across Westminster have been set out by Westminster City Council. The proposals, which would apply to all roads across the city apart from TfL red routes and those in the Royal Parks, will help make Westminster safer for cyclists and pedestrians. The council has already introduced 20mph speed limits around 39 schools in Westminster following a successful trial and lower speed limits were supported by more than seven out of ten residents (73 per cent), who felt it would be safer to walk and cycle in their community. Following this, the council are now seeking public support for a borough wide 20mph limit.

1.4 Growth, Planning and Housing

Achievements:

Affordable Housing Programme on track

Progress on the Council's affordable housing programme continues at pace and we are well on track to meet the Council's 1,850 affordable housing target by 2023.

Outputs delivered

The scheme at Dudley House has now delivered all the planned 197 new affordable homes. It has also provided for a new school (Marylebone's Boys school), a new Church and a retail unit. There were a number of challenges during the project, not least a complete re-design of the façade following the tragic events at Grenfell. A lease agreement between the Council and Pinnacle to manage the affordable homes has now been concluded and applications from over 300 eligible households are currently being reviewed, with the first tenants expected to move in during October.

Planning permission at Blomfield Mews was granted on 24th September 2019, subject to completing the Section 106 Agreement. The development team has worked to address resident issues on the site, including addressing daylighting requirements for neighbouring properties.

Following Cabinet approval in July of the Limited liability partnership (LLP), October saw the Cabinet Member approve a Full Business Case for the development of Luton St. Cllr Robathan, Barbara Brownlee and officers joined the Managing Director and project team from Linkcity to attend a ground breaking and photo opportunity event held on site to commemorate the formal commencement of the project.

Outcomes achieved

- 197 new affordable homes delivered at Dudley House.
- Luton Street will deliver 171 units (62 affordable and 109 private), sports and community facilities.
- Blomfield Mews will provide 14 new affordable homes and 4 private homes for sale.

£400k confiscation order issued to Westminster landlord

A rogue Westminster landlord has been served with a confiscation order of £400,000 after illegally converting his three-bedroom home into eight flats.

Outputs delivered

In September 2019 the Council secured a conviction against the owner of a property in W9 for illegally converting his home into eight flats. The owner had failed to comply with the requirements of Enforcement Notices (ENs) issued by the Council, despite repeated warnings made over a number of years. In court in October the owner was sentenced to pay fines totalling £90,000 for the failures set out in the Enforcement Notices. Under the Proceeds of Crime Act, the defendant was ordered to pay £400,000 in confiscation and the Council was awarded £40,000 in costs.

Outcomes achieved

This sends out a clear message that the Council will be tenacious and resolute in ensuring landlords do not benefit from the flouting of the planning rules. Cllr Richard Beddoe, Westminster City Council Cabinet Member for Place Shaping and Planning said: "Unfortunately, this is a straightforward case of the law catching up with an unscrupulous person. Our planning teams aren't just ticking boxes and filling in forms for fun – we have planning rules for a reason, to make sure housing is fit for purpose and safe."

World's Largest Pop-Up Business School

During this quarter the team delivered the world's largest Pop-Up Business School. The event took place within Soho and 187 people attended the two-week course teaching residents entrepreneurial skills.

Outputs delivered:

- 29% of participants made a sale during the course.
- 650 people supported online during the course.
- 25% of participants developed a website.
- £1.1m forecast economic benefit per annum. £53 for every £1 invested.

Outcomes achieved:

The following testimonials were provided by participants: *"I enjoyed the course very much. There was a lot of content and I feel more confident that I have enough information now to set up a business. I appreciated the opportunity to meet new people and it was their individual feedback that helped boost my confidence."*

"Pop-Up school is the best, everyone is brilliant and willing to help, Katie is exceptionally wonderful and the way she teaches is fun and professional at the same time. No one is ever too busy to assist or answer questions. I really wish it never had to end"

Risks and issues:

Brexit

There are increasing concerns that the uncertainty relating to Brexit may be starting to impact upon the development programme. This has been demonstrated by a major escalation of costs in the Ebury Bridge project, as the final business case is being negotiated.

Impacts and consequences

- Rising cost of resources – raw material / staff
- Uncertainty surrounding the availability of key staff
- Potential for delays to the overall programme

Mitigation and progress

- Continual monitoring and discussion with contractors

Planning Applications

Despite a good start to the year the number of major fee earning applications appears to be declining. As a consequence, the additional income seen at the start of this financial year is starting to reduce and may impact upon long term budget proposals.

Impacts and consequences

- Declining income and potential for budget imbalance.

Mitigation and progress

- Continual monitoring of income / application trends

Other Key Activities:

Ebury Bridge Estate

The Development team completed the demolition of Edgson House on the Ebury Bridge estate. The demolition project has created space which is critical to the phasing of the overall regeneration programme. It also sets the tone for future works on the estate. The demolition was undertaken with minimal disruption to residents and local business, despite being within a few metres of a number of existing properties. The first phase of the Ebury Bridge estate renewal will deliver a minimum of 200 new homes built on the estate - anticipated to be completed in Autumn 2023

As part of the significant engagement taking place, the estate also hosted its first ever pop-up beach this August, welcoming over 500 visitors from across the local area. Over two days the estate saw seaside games and activities for people of all ages, residents were offered the chance to draw possible floorplans for their new homes and there were visits from the Westminster WOW bus, the local fire brigade and Metropolitan Police.

Blomfield Mews – Planning consent achieved

Planning permission was granted on 24th September 2019, subject to completing the Section 106 Agreement. This is an important project in the Westbourne ward which will provide 14 new affordable homes in a mews development and a further 4 private homes for sale. The development team has worked to address resident issues on the site, including addressing daylighting requirements for neighbouring properties. Given the level of interest from local residents, the project could be subject to Judicial Review, which runs for 6 weeks, and would have an impact upon the delivery schedule for this scheme. The project is currently due to start on site in mid-2020 and complete in late 2022.

The Westminster on Wheels (WoW) bus

The WoW was established in April 2019 to provide a visible range of housing services to residents, following the internalisation of CityWest Homes. To date, a total of 20 WoW events have been held across the city and more than 1,300 residents have visited. WoW has been positively received with high levels of satisfaction being achieved. For example, 94% were very happy or happy with the bus being on the estate and 96% found the bus accessible

Lessee Billing

The 2018/2019 actual service charge adjustment and the 2019/2020 second half yearly estimates have now been received by our 9,073 homeowners on time. The call centre has experienced a large increase in call activity following the mailing, but has successfully managed the large majority of the calls and has only passed through a small percentage to leasehold operations. The mailing was accompanied with a lessee newsletter, and a new 'your service charge explained' leaflet. Leasehold operations have been holding surgeries in the area offices.

Improving Lessee Services

The first online survey has been issued to 87 leaseholders who have volunteered to help improve our correspondence and engagement. The survey has asked our volunteers to choose the topic for the first video guide, to be produced and published online. The topics included, understanding your lease, the Section 20 process, the lease extension process, collective enfranchisement, ways to pay your service charge and also offered the option to choose a topic of their choice.

Public Health England Funding

Westminster, in partnership with Central London Clinical Commissioning Group and charity partners, has been successful in securing £385k from Public Health England to run a 1-year pilot to introduce a multi-disciplinary team aimed at providing psychology, substance misuse and peer support for rough sleepers.

We are one of five areas to have been chosen to pilot new ways of integrated working between public health, primary care and peer health advocates.

Westminster Adult Education Service (WAES)

WAES results and outcomes for learners in 2018-19 are now available.

- Learners studying higher qualifications achieved a 95% success rate, a massive 19% improvement on the previous year.
- Positive destinations i.e. learners progressing to higher education or full-time employment for the 1,598 Westminster resident learners also increased to 74%, up 5% on the previous two years.

WAES provides an education service to the hardest to reach and those furthest from education and employment, so these results are very positive.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum	The minimum level for the KPI that will still allow the service to deliver	Q2 Target assessment definitions	Off track	Failing to achieve the minimum target level
	Ideal	A level which is acceptable for service continuity		Projected to exceed target	Projected to exceed ideal target level
	Aspirational	The level at which the service is improving beyond current capability		Meeting target	On track to meet ideal target level
				Minimum standard met	Meeting the minimum target below ideal level

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	Ideal	Aspirational			

Housing service

1.	Number of cases of homelessness prevented (Defined as outcomes from a combination of Housing Solutions, Shelter and Trailblazer work)	506	500	→	520	→	550	209	Meeting target	Insight: This includes 83 households who have moved into the private rented sector including 18 discharge of duty cases.
2.	Reduction in rough sleepers spending more than one night out	83%	75%	→	85%	→	90%	77% (334/434)	Minimum standard met	Insight: In 2018/19, UK Nationals made up 450 of the 1492 new people with 660 new people coming from EEA countries, 79 from outside the EU and 303 new people that we could not identify a nationality – it is anecdotally considered that the majority of the unknowns are also not from the UK.
	<ul style="list-style-type: none"> Service commentary: 85% is target for each quarter (65% cumulative - due to people returning to the street later in the year). Reported a quarter in arrears - externally managed data (CHAIN). Mitigation: Quarter one saw very high levels of new people to the street. These were predominantly Romanian nationals, of which a large proportion identified as Roma; a client group that traditionally does not accept offers of support away from the street as they are here for specific reasons. The teams continue to meet and assess anyone who is new to the street regardless of entitlement to welfare support or motivations for street sleeping 									
3.	Affordable Housing units delivered in 19/20 (1,850 by 2023)	176 (298 cumulative)	350 (648)	→	470 (768)	→	591 (889)	210 (508)	Meeting target	Insight: The cumulative figure for the overall affordable homes target is indicated in brackets. Based on the anticipated profile, this KPI is on track.

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

Housing Management Service Performance

4. % satisfaction with repairs service (New KPI)	82%	82%	84%	86%	84% (1535/1832)	Meeting target	Insight: Source: Independent Kwest Survey (an independent Tenant survey)
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5. Satisfaction with ASB case handling (New KPI)	74%	72%	74%	76%	65% (67/103)	Off track	Insight: Source: Independent Kwest Survey (an independent Tenant survey)
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- **Service commentary:** As reported in Quarter 1, staffing levels have been increasing and performance continues to improve (up from 63% in Quarter 1).

6. Contact centre - % calls answered in 30 seconds (New KPI)	63%	65%	70%	75%	75%	Projected to exceed target	Insight: Source: Housing call centre IT system. Mirrors Westminster call centre target.
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Development Planning

7. % of 'non-major' planning applications determined within 8 weeks [S]	80%	68%	→ 68%	→ 70%	79% (1,224/4,583)	Projected to exceed target	Reporting Period: October 2017 – Jun 2019 (MHCLG requirement). Quarter 2 figures still under review.
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8. % of 'major' planning applications determined within 13 weeks i.e. larger scale development. [S]	79%	60%	→ 60%	→ 62%	78% (62/84)	Projected to exceed target	Reporting Period: October 2017 – Jun 2019 (MHCLG requirement). Quarter 2 figures still under review.
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9. % planning appeals determined in favour of the Council (Excluding telephone boxes)	67%	55%	→ 60%	→ 65%	74% (148/201)	Projected to exceed target	Reporting Period: April 2019 – Sept 2019
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Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

Growth and Economy

10. 1,000 businesses significantly engaged (including vouchers issued, Corporate Social Responsibility activity)	1,108	900	→ 1,000	→ 1,100	717	Meeting target	
11. 400 Westminster residents into jobs through our Westminster Employment Service (WES) (New KPI)	305	300	→ 400	→ 450	164	Meeting target	Reporting Period: July 2019 – September 2019
<ul style="list-style-type: none"> Service commentary: On track to achieve 400 based on projected profiles for Q3 and Q4. 							
12. % of Westminster residents supported by the Westminster Employment Coaching function (WES) that start work and stay in work for 6 months.	54%	50%	60%	65%	56% (75/134)	Meeting target	Reporting Period: July 2019 – September 2019
13. 2,000 young people engaged in enterprise and sector-based experiences	3,582	1,500	→ 2,000	→ 2,500	642	Meeting target	Insight: Our main youth engagement activity is profiled for Q3 and Q4, including: Westminster Enterprise Week, STEAM Week, Apprenticeship Week.

City for All Tracker

The table below provides a progress update at quarter 2 on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
City of opportunity		
We will deliver the most ambitious house building programme in the city for a generation. We are on track to deliver nearly 2,000 new council and affordable homes by 2023 and have identified sites for a further 2,000 homes.	On track	<ul style="list-style-type: none"> The Council is on track to deliver over 1,850 new affordable homes. In the reporting period, Dudley House was delivered, providing 197 new intermediate homes for rent.
We will support 750 people into jobs per year. We also will make sure people have the best chance of finding work by ensuring our housing and children's services work together to enable parents to return to work.	Achieved	<ul style="list-style-type: none"> 1,010 people into jobs in 2018-19 of which 343 were long term unemployed.
Caring and fairer city		
We will continue to support our new £6m state-of-the-art assessment centre, outreach services and accommodation for rough sleepers, helping people to get off the streets at night	On track	<ul style="list-style-type: none"> The new Assessment centre saw 36 sustained reconnections with a marked improvement of a 72% success rate. Sustained reconnections refers to the successful return of rough sleepers to an area with which they have an established link.
We have earmarked five schemes chosen by residents that will receive a combined investment of nearly £400,000 raised through our voluntary community contribution scheme. This will include helping rough sleepers off the streets at night, tackling loneliness and isolation across all age groups and supporting youth services.	On track	<p>The Community Contribution scheme has now raised nearly £900,000 and supports the following priorities:</p> <ul style="list-style-type: none"> Extra support to help rough sleepers away from the streets Providing young people with life skills, experience or training Combating loneliness in the community – not just among the elderly but also the young. <p>£60,000 of this has been awarded to Riverside Care and Support to employ two ex-rough sleepers to become Westminster 'buddies' – helping people on the streets who may be distrustful of mainstream authority.</p> <p>The fund was also opened to VCS and schools to bid for. Through this process, £200,000 has so far been awarded to 18 number of projects to support the fund's priorities. The fund is controlled by City of Westminster Charitable Trust.</p> <p>The next round of grants is expected to open in late 2019/early 2020.</p>

City for all Pledge	Delivery Status	Progress update
City that celebrates its communities		
<p>We are reforming the planning system so that, for the first time, members of the public will be able to speak at planning meetings. This is one of a range of measures to make the UK's busiest planning authority more transparent.</p>	<p>On track</p>	<ul style="list-style-type: none"> Having introduced public speaking in 2018-19, we are now in the process of introducing the live streaming of Planning Committee meetings. Ongoing trialling is taking place and full implementation is currently anticipated for Quarter 4.
<p>We will remove unwanted and misused phone boxes from our streets.</p>	<p>On track</p>	<ul style="list-style-type: none"> The Planning Enforcement Team continues to pursue action against the poor condition of telephone boxes to ensure that their condition is improved to a satisfactory standard.
City that offers excellent local services		
<p>We will deliver a step change in the quality of CityWest Homes customer service so that it is the standard that our tenants and lessees deserve</p>	<p>On track</p>	<ul style="list-style-type: none"> Performance is improving and the service has completed its ramp up of staff to cover the additional volumes over the winter period. 75% of calls being answered within 30 seconds, up from 63% in 2018-19.

1.5 People Services

Achievements:

Wellbeing Pioneers movement

The Wellbeing pioneers role is to help shape and deliver wellbeing initiatives across the Council and support a long-term culture shift towards making health & wellbeing at work employee-led/owned.

Outputs delivered

A pool of more than 65 wellbeing pioneers were recruited and trained to be the ambassadors of WCC's wellbeing strategy, due to be launched later in the year.

Outcomes achieved

As part of this movement WCC have already delivered a *wellbeing down your way* session for the 11th floor (full day of wellbeing initiatives delivered to the floor), created a calendar of events to celebrate National Work Life Week in October (7-11), shot a mental health case study video to celebrate Mental Health awareness day and planned a Menopause awareness day on the 18th October. The longer-term goal is to launch a year-long wellbeing strategy (Jan to Dec 2020) later in the year which will be embedded and shaped locally via the pioneers.

Positive diversity action

Outputs delivered

A weekly report is provided to ELT that details all live and closed band 4 and above vacancies in WCC. The BAME pay gap identified areas within the organisation that we need to ensure positive action policy is followed. To date the current statistics, show that almost 45% of all closed vacancies at band 4 and above have successfully been filled by an identified BAME applicant (Internal, external and seconded posts) This number does not represent anyone who answered 'Prefer not to say'

Outcomes to be achieved

The business is able to attract a diverse applicant talent pool with 49% of all applicants identifying as being BAME of which 47% of shortlisted candidates being BAME. Ongoing work throughout the organisation concentrating on diversity and inclusion in our recruitment practice ensuring we are reducing our BAME Pay Gap and representing a more equal diverse employee ratio and resident representation. This is a key driver for the increase we have seen in BAME representation in band 5 and above this year (see KPIs)

Launch of two talent programmes

Outputs delivered

Two talent programmes including senior leaders (aimed at director level potential) and the emerging leaders (aimed at heads of service level potential) were launched. There has been a lot of interest in both the programmes. The first phase of both the senior leaders programme and the emerging leaders programme was launched in July with workshops kicking off in September.

Outcomes achieved

45 delegates are going through the first phase of the senior leaders programme and 40 are going through the first phase of the emerging leaders programme. Feedback has been very positive although those going through the emerging leaders programme are finding it challenging. The next phase of both the senior leaders and the emerging leaders will be launched in Feb next year. Both these programmes are part of the "Everyone has talent" pillar of the Westminster Way and the long term aim of both these programmes is to create an environment where staff people they can develop their careers in the council and thrive.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	Q2 Target assessment definitions	Off track Projected to exceed target Meeting target Minimum standard met	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

People Services

1. % of staff turnover is managed at appropriate benchmark levels (excluding redundancies)	15.6%	16%	→ 15%	→ 14%	16% (332 of 2,113)	Meeting target	
2. % of BAME employees in senior leadership roles (band 5 and above)	11%	14%	→ 15%	→ 19%	13.1% (20 of 156)	Meeting target	
Service commentary: Below target, but at current run rate, should achieve at least the minimum target. The gap is closing and we are making good progress with the Positive Action initiative							
3. Hampshire target – HR transactions made via self-service	71%	75%	→ 77%	→ 80%	85%	Exceeding target	
4. Increase the number of women in senior leadership roles (band 5 and above)	47%	42%	→ 44%	→ 46%	46.8% (73 of 156)	Meeting target	
5. % of apprenticeship starts in relation to the public sector target of 2.3% of total headcount	1.8% (without schools) 1.7% (with schools)	2% inc schools	→ 2.3% excl schools	→ 2.3% inc schools	1.8% inc. schools 2.2% excl schools	Meeting target	Almost hit target despite only being 6 months into the year.
6. Positive action - % of Band 4 roles which have BAME candidate on the shortlist	New KPI	75%	→ 80%	→ 100%	99% (67 of 68)	Meeting target	

1.6 Legal Services

Achievements:

Grenfell Tower Inquiry

The service continues to manage the staffing resources required to provide legal services in relation to the Grenfell Tower Inquiry.

Outputs delivered

Specifically, this has meant:

- Continuing to prioritise this area and divert required internal resources to providing legal advice on Grenfell Tower.
- Backfilling internal posts allocated to Grenfell to avoid impact on existing internal clients.
- Managing the delivery of external advice required from solicitors and barristers.

Outcomes achieved

Continued to provide a highly responsive service, under tremendous pressure, in relation to legal advice on and support to the Grenfell Tower Inquiry whilst ensuring that there is no diminution of quality and responsiveness in relation to other matters.

Continuing to improve client satisfaction.

Outputs delivered

A new Case Management System was recently implemented to ensure Legal Services are fully equipped with the right facilities, systems and resources to deliver responsive and effective legal services from any location. It also ensures compliance with the high levels of security and performance demanded by the SRA. The system continues to embed but matters closed client satisfaction surveys (albeit slow to be returned) show a marked improvement in satisfaction levels. Further opportunity for feedback has been built into the Service's new Client facing SharePoint site which goes live at the beginning of November and we expect to see increased returns.

The service has also continued to roll out its programme of client liaison meetings and the provision of management information packs to both improve service quality and assist with managing demand. The quality of the management information packs continues to improve as they are refined in collaboration with clients.

Outcomes achieved

92% of the responses showed that clients were very satisfied and 8% moderately satisfied with the service. This is an improvement from Q1 where the satisfied to moderately satisfied ratio was 50%:50%.

Risks and issues:

Data Protection Breaches (GDPR)

Impacts and consequences

Risk of fine or prosecution if there is a substantial breach.

Mitigation and progress

The Council's Data protection officer now reports to the Director of Law. The service has established focused information management and GDPR procedures. A new SharePoint communication site has been set up and socialised with staff. Training on GDPR has been added to the Learning and Development offer for Staff and is included in induction. The service has a GDPR team who meet regularly to implement improved processes and procedures and identify issues. Implementation of eBundling and eFiling using a digital case management system continues to reduce the risks associated with information management including loss of sensitive data on paper.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	Q2 Target assessment definitions	Off track Projected to exceed target Meeting target Minimum standard met	Failing to achieve the minimum target level Projected to exceed ideal target level On track to meet ideal target level Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

Legal services

1. Percentage of clients satisfied with Legal service as measured by the satisfactory survey	70	→	80	→	100	100	Meeting target	
2. Percentage of cases that meet the agreed time frames for Legal cases in each area	80	→	90	→	100	Available at Q3	N/A	Due to implementation of a new Case Management System, this data will not be available until Q3.

1.7 Finance and Resources

Achievements:

Finalisation of first programme to be delivered through Westminster Housing Investments Limited

Luton Street is a new residential led mixed-use development in London NW8.

Outputs delivered

The Luton Street deal was finalised with approval of Full Business Case by the Capital Review Group (consisting of members and officers), Westminster Housing Investments Limited board and Bouygues Development. The Cabinet Member for Finance, Property and Regeneration, Executive Director of Growth, Planning and Housing and officers joined the Managing Director and project team from Linkcity to attend a ground breaking and photo opportunity event held on site to commemorate the formal commencement of the project.

Outcomes achieved:

The development will consist of 171 homes including 62 affordable homes and sports and community facilities.

Year-end accounts 2018/19 and external audit and outturn reports concluded

Outputs delivered:

Achieved within timetable and successfully audited.

Outcomes achieved

The external audit was signed off with no qualifications.

Forward Borrowing

The Section 151 officer approved three lenders reference forward deals, totalling £400m: Phoenix, Rothesay and Barings. Final weighted average is 2.579%.

- 200m forward rate loan with Rothesay that will commence on 8 May 2023 (to 8 May 2063) at 2.887%.
- £37.5m forward rate loan with Phoenix that will commence on 15 March 2022 (to 15 March 2062) at 2.706%.
- £12.5m forward rate loan with Phoenix that will commence 15 March 2023 (to 15 March 2066) at 2.751%.
- £150m forward rate loan with Barings Bank/Mass Mutual 15 August 2022 (to 15 August 2052) at an interest rate of 1.97%.

Outputs delivered:

Four good forward deals have been agreed at low rates of interest.

Outcomes achieved:

The deals will provide certainty to the Council's long-term capital funding strategy and potentially provide real, significant interest savings.

Fix my street implementation

A fix my street solution was implemented in August.

Outputs delivered:

It has replaced a number of forms on the 'Evolve' portal including dumped rubbish, street cleaning, drains and street lighting.

Outcomes achieved:

It provides an improved user experience making it easier for residents to report issues. This has eliminated frequent complaints about the previous interface and reliance on third party support. Remaining services including noise, recycling bags, food safety which are currently built on 'Evolve' will be replaced with Dynamics capabilities on 19th November 19'.

Risks and issues:

Brexit delay and negative, detrimental outcome

Impacts and consequences

The Brexit outcome could have a detrimental effect on equity valuations, global trade and future inflation levels. Such a shock could take upwards of five years to recover from. New Prime Minister and Cabinet have increased likelihood of this risk.

Mitigation and progress

The Pension Fund Committee is considering a move from UK Equities to Global to cushion the effect of a shock on the UK within a specific UK sub-fund. Residential housing also to be considered.

Movement in interest rates

UK base rate changes could result in volatility in the pension fund, resulting from a change in the valuation of liabilities, as well as shifts in asset prices. There could be gains and losses which will result in variation to the funding level and future employer contribution rates. Interest rate increases less likely if UK/EU no deal scenario crystalizes, thus disrupting economy and growth.

Impacts and consequences:

Pension fund contributions unlikely to increase from triennial valuation.

Public Works Loan Board rates have increased (from premium addition) but alternative sources of borrowing will be explored.

Mitigation and progress

The pension fund is invested in a diverse portfolio, designed to lessen the impact of such shocks. Forward deals have cushioned the future impact of rises in yields.

Triennial valuation work is largely finished. New contribution rates to take effect from 1 April 2020. Work will be carried out to liaise with all employers in the fund. If the scenario changes in the next six months, the actuary could still take account of a new impact arising from any investment backdrop change. Forward loans will be received in 2022 and 2023.

Local Government Finance Settlement Uncertainty 2020 - 2021

The local government finance settlement is the annual determination of funding to local government. It needs to be approved by the House of Commons. This will affect Westminster City Councils funding over the next year.

Impacts and consequences:

Future changes in funding could affect the councils budget, this could lead to a change in service provision. WCC is navigating an uncertain environment due to an upcoming general election and Brexit now being pushed back to the 31st January 2020.

Mitigation and progress

Westminster City Council is managing its services within budget and benefits from positive reserves, and is well placed to adapt to potential changes in funding, in the short term. The consultation regarding the 2020/21 Finance Settlement has taken place and confirms, that the Core Spending Power of local authorities is estimated to rise in real terms by 4.3% to £49.1 billion in 2020 to 2021, an increase of £2.9 billion. This mitigates concerns regarding reductions in funding.

Timeframe for improvement:

A Further funding review will take place, once the government has published the provisional Finance Settlement regarding 2020/21, consultation took place from the 03/10/19 – 31/10/19.

Consumer Price Index Inflation is higher than envisaged

This will have an effect on the valuation of future pensions payments which have a direct link to the CPI index.

Impacts and consequences:

Future higher pensions payments will result in a higher liability valuation and a reduction in funding level. In turn, this will result in an increase in future employer rates.

Mitigation and progress

The Pension Fund Committee has recently allocated funds to global infrastructure which has inflation protection via investing in real assets with CPI-linked income. Further diversification will result in investment in inflation-proof assets. The fund's largest allocation is to equities and these are recognised to have inherent inflation proofing. Further consideration will be given to switching out of UK Equities into Global Equities (increased diversity in portfolio) and investing in residential housing (real assets with inflation proofing).

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum Ideal Aspirational	The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity The level at which the service is improving beyond current capability	Q2 Target assessment definitions	Off track Failing to achieve the minimum target level Projected to exceed target Projected to exceed ideal target level Meeting target On track to meet ideal target level Minimum standard met Meeting the minimum target below ideal level
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Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			

Finance

1. Percentage sundry debtors (more than 1 year old) of total gross sundry debtors	11.35% (£4.4465m)	20%	→	5%	→	0%	16% (£4.273m)	Minimum standard met	
2. No of days to collect debt	New KPI	71 to 90 days	→	61 to 70 days	→	1 to 60 days	76.65 days	Minimum standard met	
<ul style="list-style-type: none"> Service Commentary: Due to an ongoing dispute with NHS Central London and NHS West London, Adults Social Care were unable to raise invoices for quarter 1 and 2 Better Care Fund until period 6 2019. Total amount of the NHS invoices were £11.53m, which in 2018 were raised in period 3 and 7. This spike in the NHS invoices being raised in period 6, dramatically effected the debtor days figure to achieve the minimal target. Mitigation: With Q1 and 2 now raised we are not accepting a delay in Q3 being raised, removing the possibility of a further spike in invoices being raised. We are also challenging Finance managers' in our monthly meeting to ensure that invoices are being raised without delay, further reducing the chance of any spikes where possible. This coupled with the debt recovery efforts of the WCC and IBC staff, we would expect the debt days figure to reduce in period 07. Timeframe for improvement: Period 07 2019 									
3. Debt position 90-day change	TBC	Decline on last year	→	Improvement on last year	→	Improvement on last year	£27,302m total outstanding	Meeting target	Insight: Debt has been reduced in comparison to April 2019.
4. Variance between budget and full year forecast	£3.918m	On budget	→	<£5m underspend	→	As per ideal	£1.088m underspend	Meeting target	

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	→ Ideal	→ Aspirational			
5. Variance between capital budget and FY forecast	£44.571m	On budget based on forecast	→ On budget based on forecast	→ On budget based on forecast	£23.513m	Meeting target	
6. % of payments made via Purchase Order	98%	96%	→ 98.00%	→ 99.00%	76.9%	Meeting target	
7. Percentage of council tax collected	96.7%	95%	→ 96.5%	→ 99%	62.14% (£64.3m/£103.5m)	Meeting target	
8. Percentage of business rates collected	98%	96%	→ 98.5%	→ 100%	59.56% (£1.44b/£2.43b)	Meeting target	
<p>Service commentary: Due to an ongoing dispute with NHS Central London and NHS West London, Adults Social Care were unable to raise invoices for quarter 1 and 2 Better Care Fund until period 6 2019. Total amount of the NHS invoices were £11.53m, which in 2018 were raised in period 3 and 7. This spike in the NHS invoices being raised in period 6, dramatically effected the debtor days figure to achieve the minimal target.</p>							

Complaints

9. Percentage of stage 2 responses signed by Chief Executive with no need to return	98%	95%	→ 98%	→ 100%	100% (0/0)	Minimum standard met	
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ICT

10. Number of major business impact Priority 1 incidents per quarter (could affect more than 100 people)	23	22	→ 18	→ 12	7	Meeting target	
11. Significant incident attracting fines under new GDPR legislation such as Information Commissioner intervention regarding handling of data protection	0	3	→ 1	→ 0	0	Meeting target	

1.8 Policy, Performance and Communications

Achievements:

Westminster's new draft City Plan reaches milestone

Ambitious new planning policies to create more affordable homes, more jobs and a greener city as part of its new City Plan 2019-2040 are set to go before Westminster City Council's Full Council for consideration next month.

Outputs delivered

The City Plan has been developed as a result of sustained and meaningful dialogue with a large number of local resident groups, businesses and relevant regional and national bodies as well as other agencies.

Following two previous rounds of consultation, including the formal Regulation 19 stage, the council is confident that the current draft plan is sound and ready to be considered by Full Council on 13 November 2019, ahead of submission to the Secretary of State, subject to that local approval.

Outcomes achieved

The overarching aims are to create more affordable homes, the right environment for business success and more open, green spaces to enjoy in the heart of London. The new planning framework will set a clear direction for developers and householders, in order to meet a number of key targets:

- 1,495 new homes every year for ten years and over 22,000 new homes up to 2040
- 1,850 new affordable homes by 2023
- Create new business floor space for 63,000 new jobs
- Six in ten affordable homes to be intermediate housing
- A clearer policy on tall buildings that rules them out across most of the city – with most new developments to match surrounding skyline.

#MyWestminster Community Awards

The #MyWestminster Community Awards celebrate community life across the borough by highlighting the important work carried out by volunteers, as well as the community action and acts of kindness that make Westminster a great place to live.

Outputs delivered

A ceremony was held in July where the winners of the #MyWestminster Community Awards were announced. The awards celebrated community life across the borough by highlighting the important work carried out by volunteers, as well as the community action and acts of kindness that make Westminster a great place to live.

Outcomes achieved

There were a total of ten awards presented this year to individuals, organisations and groups involved in a large range of positive initiatives across the borough.

Awards presented included the **'City for All' Volunteer of the Year** (recognised for setting up 17-24-30, a project that organised the April Acts of Remembrance); **Neighbour Project of the Year** the Independent Custody Service; **Voluntary Contribution to the Community (joint)** (Tell it Parents Network which provides a space for families to socialise and be active and One Big Family, which delivers hot meals to rough sleepers); **Outstanding Contribution to the Local Area: Growth** (Pimlico Million, which

organises community groups and events such as a walking football team for over 50s); and **Outstanding Contribution to the Local Area: People** (London Basketball Association).

The Community Contribution Fund

The Community Contribution Fund was set up to allow resident's living in high value properties to make an extra contribution towards supporting their communities.

Outputs delivered

The fund has now raised nearly £900,000 and supports the following priority areas.

- Extra support to help rough sleepers away from the streets
- Providing young people with life skills, experience or training
- Combating loneliness in the community – not just among the elderly but also the young.

Outcomes achieved

£60,000 has already been awarded to Riverside Care and Support to employ two ex-rough sleepers to become Westminster 'buddies' – helping people on the streets who may be distrustful of mainstream authority. The fund was also opened to voluntary community sectors and schools to bid for. Through this process, £200,000 has so far been awarded to 18 number of projects to support the fund's priorities. The next round of grants is expected to open in late 2019/early 2020.

#DontBeldle Campaign

Westminster suffers from the worst air pollution in the country. With 9.9 million drivers in the capital and 370 million miles driven in Westminster each year, road transport contributes to more than half of the most deadly emissions. Westminster City Council's #DontBeldle campaign aims to eliminate engine idling in the city to help improve air quality for residents and visitors.

Outputs

Pledges of support to the campaign have been made by 14,000 people, which is also supported by 14 businesses. So far, over 100 Air Marshals, volunteers, and Westminster City Council employees have attended over 25 anti-idling action days across the city, engaging over 20,000 people. #DontBeldle has won national awards as a communications and behaviour change campaign. Phase 2 of the campaign has targeted businesses with large fleets in order to encourage them to implement driver efficiency training. National Express and Deliveroo are two major fleet operators who have signed up to work with the council on this project. Westminster has also met with the Department for Transport to discuss changes to national legislation to make it easier for local authorities to tackle unnecessary engine idling.

Outcomes expected

The campaign has already raised awareness of the issue and is ultimately aimed at improving air quality in the city.

#MyWestminsterFund

The My Westminster Fund provides up to £10,000 per organisation to support projects which will improve Westminster. The fund is open to all voluntary organisations, resident, faith and community groups within Westminster. This includes schools and other establishments which care for Westminster residents (such as residential care homes).

Outputs delivered

An exciting community collaboration between artists and Westminster residents, funded by the #MyWestminsterFund, was launched at special event at the Institute of International Visual Arts in the first week of October. The artist Shepherd Manyika worked with members of the ETAT

community charity (Encouragement Through Art and Talking) that support isolated, vulnerable and lonely people of all ages to produce an eight track extended play record of spoken word and rap tracks.

Outcome:

Since its launch in 2018, the MyWestminsterFund has helped more than 60 local community organisations and is open to all voluntary, faith and community groups within Westminster.

Homelessness Strategy launched for consultation

Outputs delivered

The City Council's [draft Homelessness Strategy 2019 to 2024](#) was published in July for public consultation. It sets out how the Council plans to prevent and respond to those at risk of losing their home or made homeless in Westminster. The strategy includes a proposal for networks of community champions from resident, faith and community groups whose role will be to identify people who may be at risk of homelessness.

Outcomes

To address current and future challenges of homelessness in the city the council has developed a new draft homelessness strategy. This strategy emphasises early intervention through personalised help and assistance in a much more holistic way. It also sets out how the housing services and the wider council and partnerships will change to meet these challenges. This ranges from setting ambitious new targets to increase the supply of affordable housing to ensuring all front-line services identify those at risk of homelessness - and refer them for support at the earliest opportunity.

City Lions Programme

The City Lions programme aims to support young people take advantage of the opportunities that exist on their door step and develop vital life skills.

Outputs delivered

It's been a great year for City Lions with 800 young people participating in the programme so far, which is higher than our target for two years. Over 170 Westminster Students participated in targeted creativity programme of workshops. 52% of participants are Westminster residents from the top 30% most deprived wards in the borough.

Outcomes achieved

City Lions has successfully brokered a range of work experience placements, which have been put out to various schools and Looked After Children team for allocation. The council is also working on other innovative programmes that are in development, these include:

- Film production youth engagement strategy, initial stakeholder's/scoping meeting end of November
- Film production youth engagement strategy, initial stakeholder's/scoping meeting end of November
- Youth Offending Service (YOS) Team mentoring programme with Wilmot Dixon Interiors helping young offender into the workplace
- ACCESS VFX - Workshop & Schools programme to help people in to the creative industries (<https://www.accessvfx.org/>)

Risks and Issues:

Brexit

The lack of consensus in parliament on the way forward for Brexit.

Impacts and consequences:

- Brexit could lead to ongoing political instability
- Brexit creates uncertainty for the economy of the City and the high number of EU nationals that currently work and reside in Westminster
- Lack of financial mitigation from the Treasury may mean that there are further pressures on local government funding impacting on finances available to deliver services

Mitigation and progress:

PPC is monitoring trends on key issues that impact Westminster. There will be further work done with central London partners to understand and articulate specific issues relating to Westminster. There are also regular meetings with the WCC Brexit Strategic Board in place to mitigate risks and monitor a set of key performance indicators in order to reduce service impact for each area.

Revenue from filming and events at risk

There are a number of internal and external factors that are impacting on future filming and events revenue.

Impacts and consequences

Residents' views on events in parks, Brexit, growing costs of filming in Central London, an inability to grow the advertising sector of the business and the relocation of many filming crews to Manchester and Birmingham are putting revenue from filming and events at risk.

Mitigation and progress

The team takes every opportunity to consult with residents and are working with finance colleagues to further promote events support with stakeholders. Further analysis will be performed on the impacts of Brexit and filming relocation on revenue.

Key Performance Indicators

The table below presents the latest cumulative outturns available at the end of Q2 (April 2019 – September 2019) unless indicated.

Target range definitions	Minimum The minimum level for the KPI that will still allow the service to deliver A level which is acceptable for service continuity	Ideal A level which is acceptable for service continuity	Aspirational The level at which the service is improving beyond current capability
Q2 Target assessment definitions	Off track Failing to achieve the minimum target level	Projected to exceed target Projected to exceed ideal target level	Meeting target On track to meet ideal target level
	Minimum standard met Meeting the minimum target below ideal level		

Key performance indicator	2018/19 position	2019/20 target ranges			Position at Q2	Target assessment	Other contextual insight
		Minimum	Ideal	Aspirational			

Customer services and engagement

1. Less than 4% of calls abandoned (Agilisys)	2.97%	<4%	→	<4%	→	<3%	6.43%	Meeting target	Although missing the target, this is in line with the agreed impact expectations between WCC and the operations leadership of Agilisys (the contractor) outlined in April 19 due to new system implementation.
<p>Service commentary: The higher than targeted % Abandoned rate during Q1 and Q1 is related to the introduction of two new systems: a new Customer Relationship Management application (Microsoft Dynamics replaced Verint) in April 19 and a new interface for Call Service Advisors was created in house by bi-borough IT developers. The systems were needed to give insight data on reasons for contact with WCC.</p> <p>Mitigation: The rate was outside of the 4% Service Level agreement; however, it was in line with the agreed impact expectations between WCC and the operations leadership of Agilisys (the contractor) outlined in April 19. Agilisys has an established extended history of meeting this Service Level Target and performance returned to target in September.</p>									
2. Residents feel informed about services and benefits	65% (2017)	= last year	→	> last year	→	+5% on last year	68% (2018)	Achieved	
3. Residents feel informed about plans for your local area	60% (2017)	= last year	→	> last year	→	+5% on last year	63% (2018)	Achieved	Figure to be updated next quarter with new City Survey results
4. Residents have seen the Westminster Reporter	54% (2017)	= last year	→	> last year	→	+5% on last year	60% (2018)	Target exceeded	

City for All Tracker

The table below provides a progress update at the end of the year (March 2019) on the measures and milestones aligned to the CFA pledges that the directorate is directly responsible for delivering.

City for all Pledge	Delivery Status	Progress update
City of opportunity		
We will roll out our #MyWestminster City Lions Programme for 13 to 16 year olds, making sure that young people from a variety of backgrounds have access to all of the opportunities the city has to offer	Achieved	<p>It's been a great year for City Lions with 800 young people participating in the programme in the first year, which higher than our target for two years.</p> <ul style="list-style-type: none"> • 800 Young people engaged on City Lions • Over 170 Westminster Students participated in targeted creativity programme of workshops • 52% young people Westminster residents from the top 30% most deprived wards in the borough. • City Lions has successfully brokered a range of work experience placements, which have been put out to various schools and Looked After Children team for allocation. <p>We are also working on other innovative programmes that are in development;</p> <ul style="list-style-type: none"> • Film production youth engagement strategy, initial stakeholder' s/scoping meeting end of November • YOS Team mentoring programme with Wilmot Dixon Interiors helping young offender into the workplace • ACCESS VFX Workshop & Schools programme
We will consult on and adopt a new City Plan, putting in place the biggest change in policy for a generation to support the building of more affordable homes and making sure residents are at the heart of all new developments.	Achieved	<ul style="list-style-type: none"> • Westminster's draft City Plan, which sets out the future approach for the city, was launched on 12th November 2018. Underpinned by the City for All vision, it sets out a blueprint for how Westminster will enter the next few decades in a strong and competitive position. Formal consultation followed in June 2019 and the Plan will be submitted to the Secretary of State later in the autumn, with a public examination to follow. The Plan is expected to be adopted in early 2020.
We will launch a new enterprise partnership bringing together businesses from across the city to shape a new economic development strategy.	On track	<ul style="list-style-type: none"> • We plan to carry out a Careers Education Information Advice and Guidance audit to assess gaps/need • We will also establish two networks: i) Employers and ii) Education providers to explore local skills provision [this may build towards a Skills Summit]

City for all Pledge	Delivery Status	Progress update
<p>We will work with businesses, residents, schools, colleges, and policy makers to build a new model of vocational education and, by 2020, launch a new city skills framework. This will support people develop their talents – and learn entirely new ones – from birth to well after retirement.</p>	<p>On track</p>	<ul style="list-style-type: none"> • We will communicate our ED offer to key sectors, using the sector grid as a prioritisation tool • We will establish two networks: i) Employers and ii) Education providers to explore local skills provision [this may build towards a Skills Summit]
<p>Caring and fairer city</p>		
<p>We have earmarked five schemes chosen by residents that will receive a combined investment of nearly £400,000 raised through our voluntary community contribution scheme. This will include helping rough sleepers off the streets at night, tackling loneliness and isolation across all age groups and supporting youth services.</p>	<p>Achieved</p>	<p>The Community Contribution scheme has now raised nearly £900,000 and supports the following priorities:</p> <ul style="list-style-type: none"> • Extra support to help rough sleepers away from the streets • Providing young people with life skills, experience or training • Combating loneliness in the community – not just among the elderly but also the young. <p>£60,000 of this has been awarded to Riverside Care and Support to employ two ex-rough sleepers to become Westminster ‘buddies’ – helping people on the streets who may be distrustful of mainstream authority.</p> <p>The fund was also opened to VCS and schools to bid for. Through this process, £200,000 has so far been awarded to 18 number of projects to support the fund’s priorities.</p> <p>The next round of grants is expected to open in late 2019/early 2020.</p> <p>The funds are controlled by City of Westminster Charitable Trust.</p>
<p>Healthier and Greener City</p>		
<p>We will launch a new Green for 18 campaign to raise awareness and make it easy to reduce our reliance on single use plastic. Westminster City Council has already banned single use plastic containers in meetings.</p>	<p>On track</p>	<ul style="list-style-type: none"> • Reusable water bottles and coffee cups have been provided to WCC staff to reduce/minimise the amount of single use plastics that are used within the Council. 1,000 reusable water bottles and 1,000 coffee cups have been distributed to staff since April 2018, so 2,000 reusable containers in total. The Campaign will be taken forward into 2019.

City for all Pledge	Delivery Status	Progress update
<p>We will expand #DontBeldle, setting the ambition for 1,000 businesses to sign up and play their part in reducing their own and their customers' emissions.</p>	<p>On track</p>	<ul style="list-style-type: none"> • Pledges of support to the campaign have been made by 14,000 people, which is also supported by 14 businesses. So far, over 100 Air Marshals, volunteers, and Westminster City Council employees have attended over 25 anti-idling action days across the city, engaging over 20,000 people. • #DontBeldle has won national awards as a communications and behaviour change campaign. • Westminster's DontBeldle campaign phase 2 has targeted businesses with large fleets in order to encourage them to implement driver efficiency training. National Express and Deliveroo are two major fleet operators who have signed up to work with the council on this project. Westminster has also met with the Department for Transport to discuss changes to national legislation to make it easier for local authorities to tackle unnecessary engine idling
<p>City that celebrates its communities</p>		
<p>More than 3,000 people from all over Westminster celebrated the second #MyWestminster Day at Paddington Recreation Ground on 1 July, cementing it as a major annual event to celebrate the city's neighbourhoods.</p>	<p>Achieved</p>	<ul style="list-style-type: none"> • Just over 3,000 residents came down to enjoy the day, which took place on Sunday 30th June. Families and residents enjoyed free family activities, sport, live music, entertainment, dancing and arts and crafts • Maida Hill Place provided food from across the world working in partnership with Westminster residents who are part of the Big Eat Training programme. Local acts provided live music and dancing from the bandstand. We were also joined by 40 community and voluntary organisations who offered free entertainment and activities to showcase our vibrant and diverse city
<p>We will continue the roll out of the #MyWestminster Fund, making up to £10,000 available to grassroots organisations across the city to help make a difference in their neighbourhoods.</p>	<p>Achieved</p>	<ul style="list-style-type: none"> • The #MyWestminster Fund has now granted funding to 77 local organisations. The third round, which took place between January and March 2019 awarded just under £150k to 29 organisations. • The next round of bidding opened on 23 September and will close on 8 November; funds will be awarded in January 2020.
<p>We will work with our neighbourhoods and businesses to make sure our valued EU residents remain welcome and the local economy continues to thrive as the UK prepares to leave the European Union.</p>	<p>On track</p>	<ul style="list-style-type: none"> • The EU citizen's advice hotline run by the CAB has been established. The website has attracted 3739 individual visits and 673 advice appointments/assessments have taken place. The majority of service users report an improved capacity to manage future problems, increased knowledge and confidence regarding their rights and responsibilities and feeling better about their future.

City for all Pledge	Delivery Status	Progress update
<p>We will work with residents to develop new proposals for the Oxford Street District, which includes the reduction of pollution levels, control of deliveries, protection of resident parking bays, ensuring traffic will not ‘rat run’ down residential roads and effective management of pedestrian areas and surrounding streets.</p>	<p>On track</p>	<ul style="list-style-type: none"> • Phase 1 works have begun addressing safety critical concerns as well as undertaking a range of enabling works in advance of the OSD Strategy <ul style="list-style-type: none"> ○ Repairs to over 50 utility covers ○ Over 2km of roads relining to refresh the road markings ○ Jet washing and surveying of over 200 gullies including fixing drainage ○ Maintenance to the trees / tree pits ○ Repairs to street lights • Over 4000 sqm of pavement repairs / repaving • A series of workshops have taken place to engage and inform stakeholders on the Place Strategy proposals. A session took place in May which focused on the proposed traffic changes. The July workshops provided some examples of potential street designs and an update on the management plan workstream. • Modelling work has been undertaken of the proposed traffic changes across the whole Oxford Street District, which will inform detailed design of individual work packages. • Work has also begun on district-wide interventions including air quality modelling and monitoring and a freight action plan.
City that offers excellent local services		
<p>By the end of 2019 we will license buskers and street entertainers to make sure that residents and visitors get the best experience, and that new performers have a chance to shine.</p>	<p>Off track</p>	<p>We have been undertaking significant engagement with key stakeholders and have recently agree that we will test a variety of new approaches that aim to promote responsible busking and positive relationships across our City, whilst ensuring that in our hotspot areas we are doing all we can to keep the public safe and reduce the negative impact that busking can have on surrounding local residents and businesses.</p>

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Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	27 November 2019
Classification:	General Release
Title:	Internal Audit Progress Report (August to October 2019/20)
Wards Affected:	All
Key Decision:	No
Financial Summary:	There are no financial implications arising from this report
Report of:	Director for Audit, Fraud, Risk Management & Insurance
Report author:	Moira Mackie, Senior Audit Manager Contact Details: Moira.Mackie@rbkc.gov.uk . Tel: 07800 513 192

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 two positive assurance reviews (substantial or satisfactory) being issued in the period.
- 1.2 The follow up reviews for two audits completed in the period confirmed that the implementation of recommendations has been effective with all recommendations fully implemented at the time of review.
- 1.3 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.

2. Recommendation

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

3. Reasons for Decision

The work undertaken by the Internal Audit Service is reported to the Committee during the financial year to enable the Committee to consider the progress made against the Internal Audit Plan and the outcomes of the completed audits which are considered as part of the Annual Assurance Opinion provided by the Shared Services Director for Audit, Fraud, Risk and Insurance.

4. 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. Key issues identified from audit work are reported each month to the Council's Deputy Section 151 Officer. The Audit & Performance Committee are provided with updates at each meeting on all assurance audits issued in the period.

5. Internal Audit Opinion

- 5.1 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.
- 5.2 The results of the audit reviews undertaken in the reporting period concluded that generally systems operating throughout the Council are satisfactory, with two positive assurance (substantial or satisfactory) reviews being issued in the period.

6. Audit Outcomes (August to October 2019)

6.1 Since the last report to Members two audits have been completed, neither of which identified any key areas of concern:

Audit	Assurance	RAG
PPC – Strategic Objectives	Satisfactory	Green
CHS & ASC – Bi-borough Framework Procurement - Mini-bus Service	Substantial	Green

Further information on these audits is contained in Appendix 2.

In addition, two advisory reports have been issued in the following areas:

- Finance & Resources - Payment Card Industry Data Security Standard Compliance (PCI DSS);
- Finance & Resources - Procurement of Estate Services.

Recommendations arising from advisory reports are followed up and the implementation of these recommendations will be reported in summary to the Committee.

6.2 Implementation of Audit Recommendations

Two follow-up reviews were completed in the period (August to October 2019) which confirmed that 100% of recommendations made had been implemented:

Audit	No of Recs Made			No of Recs Implemented			No of Recs in Progress			No of Recs not yet actioned		
	H	M	L	H	M	L	H	M	L	H	M	L
GPH - Implementation of the Homelessness Act												
CMC – Noise Complaints												
Total												
Priority of recommendations												
	1	5	1	1	5	1	0	0	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.

7. Financial Implications

There are no financial implications from this report.

8. Legal Implications

There are no legal implications from this report.

8. Staffing Implications

There are no staffing implications from this report.

9. Consultation

The Internal Audit Plan and the work undertaken by the Internal Audit Service is prepared in consultation with the Council’s Executive Leadership Team and officers within the Council and supports the Executive Director’s responsibility under S151 of the Local Government Act 1972 relating to the proper administration of the Council’s financial affairs.

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

Moira Mackie on 07800 513 192 Email: Moira.Mackie@rbkc.gov.uk

Or

David Hughes on 07817 507 695 Email: David.Hughes@rbkc.gov.uk

BACKGROUND PAPERS:

Internal Audit Reports

2019/20

Internal Audits Completed Year to Date

Audits Completed Year to Date - 2019/20

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
Finance & Resources	BT Agilisys – Contract Monitoring (2018/19 cfwd)	Green	SATISFACTORY	1	4	0	September 2019
Finance & Resources	Payment Card Industry (PCI DSS) Compliance	n/a	ADVISORY	0	2	0	November 2019
Finance & Resources	Procurement of Estate Services (2018/19 cfwd)	n/a	ADVISORY	0	1	0	November 2019
City Management & Communities	Cemeteries – Contract Monitoring (2018/19 cfwd)	Amber	LIMITED	4	7	2	September 2019
City Management & Communities	Certified Enforcement Agents – Contract Monitoring (2018/19 cfwd)	Green	SATISFACTORY	0	4	6	September 2019
City Management & Communities	Registrar Service – Income	Green	SUBSTANTIAL	0	2	2	September 2019
Growth, Planning & Housing	Housing – Compliance Data	Amber	LIMITED	2	5	5	September 2019
Growth, Planning & Housing	Capital Programme – Programme Assurance (phase 1)	n/a	ADVISORY	n/a	n/a	n/a	September 2019
Policy, Performance & Communications	Strategic Objectives (2018/19 cfwd)	Green	SATISFACTORY	0	3	0	November 2019
Children's & Adult's Services	Bi-borough Framework Procurement – Mini-bus Service	Green	SUBSTANTIAL	0	0	0	November 2019

Additional Information on Assurance Audits (Main report – Paragraph 6.1)**Policy, Performance & Communications:****1. Strategic Objectives (satisfactory assurance)**

The Council's medium to long term vision is set out in the 'City for All' document and the approach to realising this vision is based on achieving success in five distinct areas:

- City of opportunity;
- City that offers excellent local services;
- Caring and fairer city;
- Healthier and greener city;
- City that celebrates its communities.

Each of the Council's directorates has produced a business plan to outline how they will take forward the Council's priorities. The plans provide an overview of the key objectives, priorities and actions which the directorate expects to achieve over the year and will be used to monitor its performance and track progress against key outcomes.

The Evaluation and Performance team are responsible for organising the business planning process, corporate risk management and reporting to the Executive Leadership Team (ELT) and the Audit and Performance Committee.

The Leader and Cabinet oversee the performance management of council services and major projects on an ongoing basis. The Chief Executive and ELT are accountable for delivery on the ground. They actively monitor key performance indicators for different services and progress against project milestones to deliver a City for All.

The audit identified that the processes in place to monitor and report on the performance and achievement of the Council's key priorities, was generally satisfactory. Three medium priority recommendations were made to improve controls in the following areas:

- The Executive Leadership Team (ELT) is responsible for performance monitoring and meetings are held on a quarterly basis. It was noted that there were no Terms of Reference in place for the ELT and meetings are not minuted;
- Performance monitoring arrangements within departments was not always documented and the Key Performance Indicators (KPIs) in the departmental business plan were not always clearly monitored;
- A bi-annual Business Plan Challenge Session has previously been held where performance against business plans is challenged by a Panel led by the Chief Executive and the Leader of the Council. The last Challenge Session took place between November 2017 and February 2018. Since the last Challenge Session, Cabinet Portfolio Groups have been formed which meet every two weeks to challenge performance. We were advised that some Portfolio Groups are more formal than others. Some have trackers and some are less formal.

Children's & Adult's Services:**2. Bi-borough Framework Procurement – Mini-bus Service (substantial assurance)**

Under the Education Act 1996 for children and the Care Act 2014 for adults, Local Authorities (LA) have a statutory duty to provide transport services. For children this is home to school services and for adults, assisting them in meeting their personal outcomes towards independence and engagement with the community. In January 2018 the Cabinet approved the commissioning strategy (and the related budgetary implications) to establish bi-borough taxi and mini bus frameworks. The contracts for the taxi services were awarded in June 2018 and went live in September 2018, followed by the procurement of the minibus framework which to commence in September 2019.

This audit reviewed the controls in place within the key elements of the procurement of this framework, namely:

- Business Case, Procurement Strategy and approval;
- Pre-procurement process;
- Invitation to Tender;
- Tender Evaluation;
- Awards Approval;
- Award Notification;
- Contract Condition.

The review confirmed that an approved strategy underpinned the procurement of the mini-bus service which had been subject to an appropriate level of governance and evaluation. The procurement was undertaken through the Council's Capital E Sourcing system which enforces controls when managing a tender and ensures that a full record is maintained of all communication with the tenderers.

There was evidence of a very good level of pre-tender interaction with the key stakeholders such as parents and teachers in preparation for the tender. This was achieved through surveys, interviews and workshops. The responses received assisted in shaping the service specification so that the needs of the end users of the service were addressed.

A robust tender evaluation process was followed with the evaluation team demonstrating a good understanding of the service requirements both from a contract management perspective and everyday use of the service.

The contract awards were made within the agreed timescales and the service was ready for operation as required in September 2019.

No recommendations were made as a result of this audit.



City of Westminster

Annual Complaints Review 2018/19

October 2019

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

1. Introduction

- 1.1 This report presents complaints performance trends and for 2018/19, and a comparison of performance for 2017/18 and 2018/19 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

- 1.2 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 with the stage 2 reply he/she can take the concern to the LGO
- 1.3 The procedure covers most council services although Adults and Children's Social Care Services each have their own statutory complaints procedure. In view of this separate reports are produced for Member and Officer over sight, therefore there is limited information about these services in this report.
- 1.4 CityWest Homes (CWH) has been operating its own complaints procedure since 1 April 2012, and while they came back in house on 1 April 2019 the complaints data for 2018/19 covered the period they were still an Arms Length Organisation and therefore is not covered in this report.

3. Headline findings

Summary of Complaint Numbers

- 3.1. 1289 complaints have been received for 2018/19 across all services and complaint stages including adults and statutory complaints.
- 3.2. 1235 corporate complaints across all services and stages has been received. This represents a 10% increase in corporate complaints when compared with the preceding year. The overall increase in volume is attributed to the use the complaints iCasework system and the use complaints web form. The use of the system and the web form now ensures that more complaints are correctly identified and captured on the system and then answered within the complaints procedure. This means there is less under reporting than in previous years when multiple systems were used to record complaints.

Stage 1 Summary

- 3.3. **Complaint Volumes** – There is a 10% increase in stage 1 complaints when compared with the preceding year.
- 3.4. **Response times** – The 10 day working response target has been met in 78% of complaints which is a 4% reduction on the previous year.
- 3.5. **Complaint decisions** – these remain stable although there is a 3% reduction in Upheld complaints. Failure to do something, a delay in doing something or

a disagreement with a charge received are the most common cause of a stage 1 complaint.

Stage 2 Summary

- 3.6. **Complaint Volume/Escalation** - 131 stage 2 complaints have been received and this represents an increase of 16% on the preceding year (2017/18). A recent review of the volumes of complaints received between April 2019 to end October 2019 (current financial year) indicate there has been a 32% increase when compared to the same period for 2018/19. The return of Housing Management (what was CWH) has contributed to the increase in volume although there is a general uplift for most other services. However, Housing Benefit has seen a reduction in stage 2 complaint volumes. There was no specific reason(s) given for escalating the complaint to stage 2 in 73% of complaints received.
- 3.7. **Response Times** – 25% of stage 2 complaints were responded to in target response time against 56% in the preceding year. The slowing down in meeting target response is attributed to the overall increase in the volume of complaints and an officer being on secondment is also a contributing factor.
- 3.8. **Complaint Outcomes** – 5% of all stage 2 complaints were Upheld against 4% in the preceding year.

Local Government and Social Care Ombudsman (LGSCO)

- 3.9. **Volume** - 17 first time enquiries were received in 2018/19 this is a decrease (down 5) as 22 first time enquiries were received in 2017/18.
- 3.10. **Response Times** - 65% of first time enquires were completed in target response time
- 3.11. **Compensation** - Was offered in 8 cases in 2018/19 and a total amount of £9,730 was paid, against 5 cases in 2017/18 and £1,100 having been paid.
- 3.12. There was one Housing Solution Services complaint where the LGSCO awarded a payment of £7,350 as a family was living in unsuitable temporary accommodation for nearly 4 years and therefore awarded £150 for each month ($£150 \times 47 \text{ months} = £7,050$) and £350 for distress and time and trouble in pursuing the complaint. There was also one award of £1,080 made in an NNDR case. Although the complaint also involved CT bills this matter was resolved but not for the NNDR bills sent to a company at the complainants address. This matter continued to the enforcement stage. While the LGSCO recognised and welcomed the Council time and trouble offer of £300 at stage 2 they also awarded a further £300 for distress and £450 towards his solicitors and accountant's costs as he had to take advice to sort of the matter.

LGSCO Annual letter 2018/19

- 3.13. **LGSCO Annual letter volumes** - This explains that the data in the LGSCO will be different to data held by the Council as they capture all contacts/enquiries/complaints made to them about each individual authority. The annual letter also indicates that there has been an overall reduction in complaints and enquiries with 110 received for 2018/19 against 133 for 2017/18.
- 3.14. **Complaint Outcomes** - Of the 9 complaints which were upheld with maladministration 6 complaints were not investigated at stage 2 of the Councils complaints procedure therefore there was no opportunity for the Council to review the stage 1 response to see if any further fault could be found
- 3.15. **Complaint Learning from the Annual letter**

- Services should, where possible prioritise responses to LGSCO enquiries as they are often late in commenting on the LGSCO draft decision and any further comeback enquiries
- All services should ensure all LGSCO recommendations and remedies are dealt with in a timely manner and that they have complied with all the remedies set out in an LGSCO decision statement within the time frames set out, as it is not uncommon for remedies to be completed outside of the date agreed with the LGSCO
- When answering LGSCO first time enquiries all services should provide their own understanding of the complaint, as the LGSCO asks that this is done as well as answering the specific questions asked. Services should also provide additional information outside of the questions asked if they consider that additional information will assist the LGSCO investigator in understanding the complaint and the actions taken by the Council so we can achieve a positive outcome to the complaint

Leader and Cabinet Member Correspondence

- 3.16. The data provided indicates that there has been a slight increase (44) in the volume of correspondence received over the year.

4. Complaint Volumes- Across all Stages and Directorates

- 4.1. **1289** complaints have been received across both stage 1 and stage 2 of the complaints procedures and this figure includes those statutory and non-statutory Adults Social Care and Children's Services. As indicated in **Table 2** below there is a 10% overall increase across all stages of the corporate procedure when compared with 2017/18. The increase in volume across both stages is attributed to the use the complaints iCasework system and the use complaints web form. The use of the system and the web form now ensure that more complaints are correctly identified and captured on the system and then answered within the complaints procedure. This means there is less under reporting than in previous years when multiple systems were used to record complaints.
- 4.2. Although separate reports for both Adults Social Care and Children's Services are prepared **Table 1** provides a view across all the services for both corporate and Statutory complaint procedures.
- 4.3. The data used in the rest of this report will relate to complaints made under the Council's corporate complaints procedure (non-statutory) save specific references to response times for Adults and Children's services in item 7.4 of this report.

Table 1 – all complaints across all services, including Adults and Children’s complaints for the year 2018/19

Directorate/ Division	Stage 1	Total	Stage 2	Total
City Treasurers		512		56
<i>Housing Benefit</i>	232		23	
<i>Council Tax</i>	253		24	
<i>NNDR</i>	27		9	
City Management and Communities		421		40
<i>Waste and Parks</i>	125		8	
<i>Public Protection and Licensing</i>	84		11	
<i>Parking Services</i>	84		15	
<i>Highways and Public Realm</i>	61		1	
<i>Libraries and Archives</i>	24		2	
<i>Community Services (Sports)</i>	43		3	
Growth, Planning and Housing		163		33
<i>Development Planning</i>	51		9	
<i>Housing Solution Services</i>	112*		24	
Chief Executives		3		2
<i>Electoral Services</i>	2		2	
<i>Committee Services</i>	1		0	
Policy, Performance and Communications		4		0
<i>City Promotions, Events and Filiming</i>	4		0	n/a
Westminster Adult Education Service (WAES)		1		0
<i>WAES</i>	1		0	n/a
Sub Total of all Corporate Complaints	Stage 1	1104	Stage 2	131
Children's Social Care (statutory)		44		7
Adults Social Care (statutory)		3		n/a
TOTAL		1151		138

*22 Housing Solution complaints were withdrawn

NB: Does not include Housing Management complaints (was CWH), as they were still an ALMO in 2018/19

Table 2 Comparison of total numbers of corporate complaints for 2017/18 and 2018/19 (Adults and Children’s Social care complaints not included)

	2017/18	2018/19	Variance	%change
Stage 1	1007	1104	97	10%
Stage 2	115	131	16	14%
Total	1122	1235	113	10%

5. Stage 1 Complaints over 2018/19

- 5.1. **Stage 1 Date - Period Captured – complaints recorded between 1st April 2018 to March 31 2019**
- 5.2. **Number of Stage 1 Complaints received by directorate - 1104**

Table 3 All stage 1 complaints made by Directorate

Directorate	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
City Treasurer	159	130	118	105	512
City Management and Communities	149	104	102	66	421
Growth, Planning and Housing	42	47	43	31	163
Policy, Performance and Communications	1	1	1	1	4
Chief Executives/Chief of Staff	2	0	0	1	3
Westminster Adult Education Service (WAES)	1	0	0	0	1
Grand Total	353	282	264	204	1104

Chart 1 - Profile of complaints made by directorate in 2018/19



- 5.3. As seen in **Table 2** there has been a 10% increase in stage 1 complaints when compared to 2017/18. However, between 2016/17 and 2017/18 there was a 46% increase in stage 1 complaints. As the percentage increase has levelled off this suggests that the use of the icasework system has now bedded in and stage 1 complaint volumes are stabilising .
- 5.4. As seen in **Chart 1** three Directorates deal with complaints in significant volumes as recorded in iCasework. In 2017/18 the situation was similar save an increase of 25 complaints (**see Table 4 below**) from City Treasurers when compared with 2017/18 and an increase of 92 complaints from CMC.
- 5.5. This report also notes that volumes for City Treasures are high (512) but these volumes should be viewed in the context that there are 128,000 Council Tax properties, 38.000 NNDR properties and some 23,000 Benefit claims. The totals for CMC are also high as they cover a number of services including Parking and Waste and Parks and these also attract a volume of complaints.

Table 4 -Comparison of Stage 1 totals by Divisions within Directorates for 2017/18 &2018/19

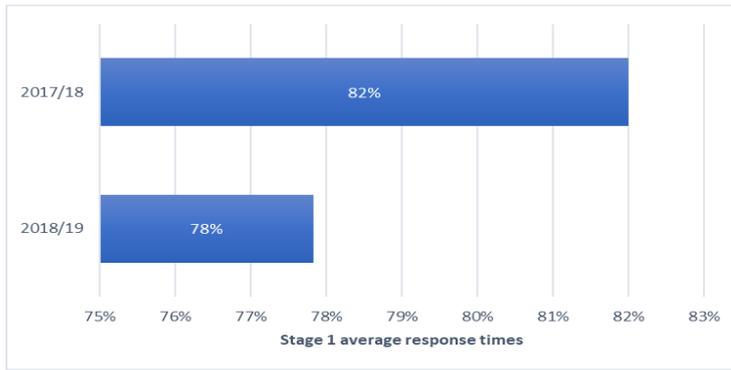
Directorate/ Division	Total for 2017/18	Total for 2018/19	Variance
City Treasurers	487	512	25
<i>Housing Benefit</i>	276	232	-44
<i>Council Tax</i>	193	253	60
<i>Business Rates</i>	18	27	9
City Management and Communities	329	421	92
<i>Waste and Parks</i>	75	125	50
<i>Public Protection and Licensing</i>	66	84	18
<i>Parking Services</i>	68	84	16
<i>Highways and Public Realm</i>	60	61	1
<i>Libraries and Archives</i>	22	24	2
<i>Community Services (Sports)</i>	37	42	5
<i>Residential Services</i>	1	1	0
Growth, Planning and Housing	173	163	-10
<i>Development Planning</i>	72	50	-22
<i>Housing Solution Services</i>	96	112	16
<i>Corporate Property</i>	5	1	-4
Chief Executives	7	3	-4
<i>Electoral Services</i>	7	1	-6
Policy, Performance and Communications	11	4	-7
<i>Campaigns / Engagement</i>	5	0	-5
<i>City Promotions, Events and Filming</i>	6	1	-5
Westminster Adult Education Service (WAES)	0	1	1
<i>WAES</i>	0	1	1
Total	1007	1104	97

6. Response Time by Directorate

Speed of response for all Directorate across 2018/19

- 6.1. 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.
- 6.2. As indicated in **Figure 3** below the average response time for stage 1 complaints for 2018/19 is 78%. This is a 4% reduction when compared with the preceding year. An average response time of 80% or above is considered to be a very good performance.

Figure 3 - A comparison of Stage 1 response times 2017/18 and 2018/19



6.3. Table 5 below provides a more detailed breakdown of performance cross the directorates.

Table 5 Response Time Tables for 2018/19 (withdrawn cases omitted)

Stage 1	0-10	Nov-20	20+	Total	% within 10 days	Median Days to Respond
City Treasurers	449	37	14	500	90%	5
City Management and Communities	265	80	59	404	65%	9
Growth Planning and Housing	75	43	21	139	54%	11
Policy, Performance and Communications	0	2	2	4	0%	2
Chief Executives/Chief of Staff	3	0	0	3	100%	21
Westminster Adults Education Service	1	0	0	1	100%	3
Total	818	177	106	1051		7

NB: In figure 5 below the Shared Service Centre represents complaints from Housing Benefit, Council Tax and NNDR (Business Rates)

Figure - 5 time taken to respond at Division level

Time Taken to Respond at a Division Level (10 or more complaints)

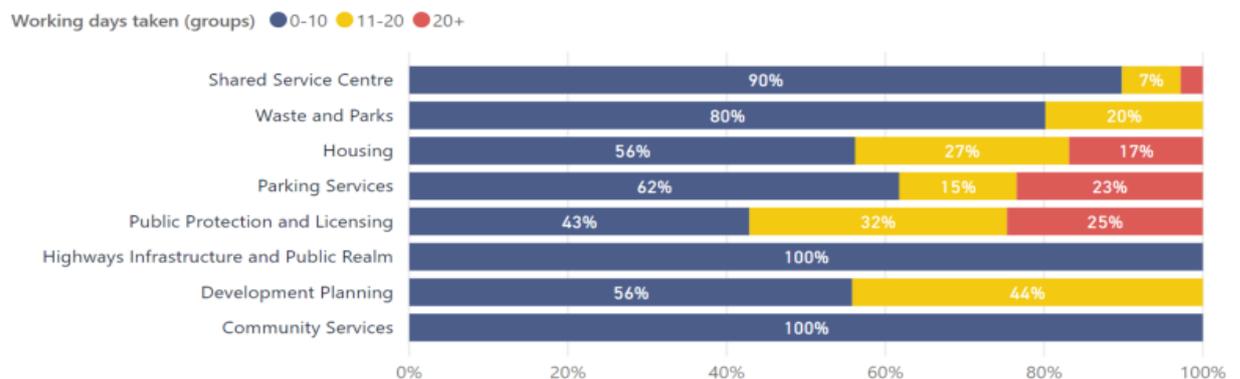


Table 6 - Complaints that took over 20 days (withdrawn cases included)

Directorate	Complaints (resolved complaints only)	Over 20 days	% of resolved complaints that took over 20 days
City Treasurer	512	15	2.9%
City Management and Communities	421	60	14.3%
Growth, Planning and Housing	163	29	17.8%
Policy, Performance and Communications	4	2	50.0%
Chief Executives/Chief of Staff	3	0	0.0%
Westminster Adult Education Service	1	0	0.0%
Overall	1104	106	9.6%

6.4. Information in **Table 6** 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. 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.

Adults and Children’s Services statutory complaint response times

Statutory Complaints	Totals	Stage 1	% in Target Response Time	Stage2	% in Target Response Time	Stage 3
Children’s Social Care	7*	4	75%	1	0	2
Adults Social Care	116	116	not currently recorded	n/a		n/a
Total	123	120		1	0	2

NB: Children’s Statutory complaint procedure has three stages and the Adults complaints procedure has one stage. Stage 3 of the Children’s statutory complaints procedure has 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.

7. Complaint Outcomes

- 7.1. Each complaint response should indicate what is the complaint outcome and should clearly explain if the Council considers whether anything went wrong and if it did what has/will be done to put it right. Complaint outcomes are usually expressed as Upheld, Not Upheld or Partially Upheld.
- 7.2. An Upheld decision indicates that we accept that there was fault. A Partially Upheld complaint decision is reached when the majority of the complaint concerns are Not Upheld, but there are some minor lapses in service delivery which did not have a significant impact in reaching the complaint decision. A Not Upheld complaint indicates that there has been no fault.
- 7.3. It is generally accepted that at stage 1 there will be a higher percentage of complaints that are upheld or partially upheld as the main purpose in investigating a complaint is try and find any mistakes and put right any wrongs. This should then prevent a complaint from escalating to the final stage of the complaint procedure.

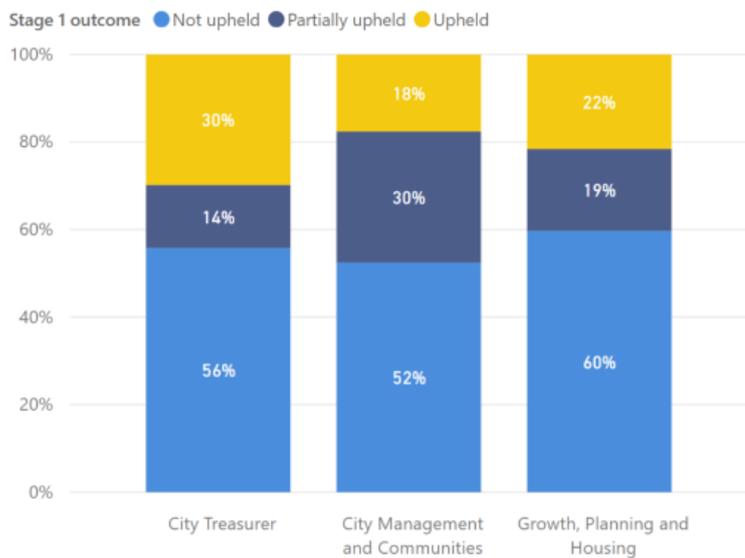
7.4. As seen in **Table 7** below the percentage of not upheld and partially complaints for both years are similar although there has been a 3% reduction in upheld complaints. No firm conclusion can be drawn from this comparison although the figures indicate that levels of upheld complaints are not increasing, and this could suggest that overall service delivery is good. However, what is of interest is the escalation rate from stage 1 to stage 2, as if the percentage of upheld complaints is small at stage 2 this indicates that any fault has been found and rectified at stage1. This issue is addressed in item 11.3.

Table 1 – A comparison of Stage 1 Outcomes for 2018/19 and 2017/18 across all services

Stage 1				
	2017/18	as %	2018/19	as %
Not Upheld	528	54%	580	55%
Partially Upheld	187	19%	219	21%
Upheld	267	27%	252	24%

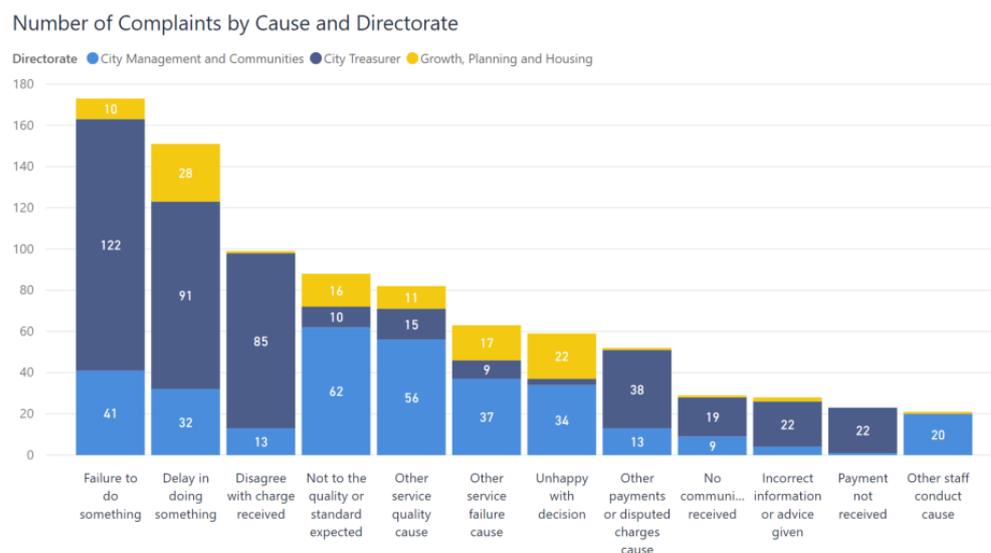
Figure 6 - Outcomes by Directorate

Outcomes by Directorate



8. Reasons for Complaining

Figure 7 - Cause of complaint by Directorate



- 8.1. In view of complexity of all the different services offered by each directorate it is not possible to determine why a customer has chosen to complain therefore generic causes are used so we can track at a corporate level the overarching cause of complaint. As seen in Figure 7 failure to do something, a delay in doing something or a disagreement with a charge received are the most common cause of complaint.

9. STAGE 2 COMPLAINTS

- 9.1. Period Captured – complaints recorded between 1st April 2018 and 31st March 2019.
- 9.2. Number of Stage 2 Complaints in 2018/19 – **131 (withdrawn cases not included)**

Number of Complaints by Directorate

- 9.3. With 131 complaints received in 2018/19 and 115 stage 2 complaints received in 2017/18 complaint volume has increased by 18 (16%). **Table 7** below is a comparison of stage 2 volumes by Division within each Directorate.

Table 7 - A comparison of stage 2 volumes by Divisions within each directorate for 2018/19 & 2017/18

Directorate and Division	2017/18 Directorate and Division	2018/19 Directorate and Division	Variance	Variance by %
City Treasurer	50	56	6	12%
Housing Benefit	33	23	-10	-30%
Council Tax	16	24	8	50%
Business Rates	1	9	5	500%
City Management and Communities	35	39	4	11%
Parking Services	13	14	1	8%
Public Protection and Licensing	9	11	2	22%
Waste and Parks	5	8	3	60%
Community Services	4	3	-1	-25%
Libraries and Archives	3	2	-1	-33%
Highways and Public Realm	1	1	0	0%
Growth, Planning and Housing	23	33	9	39%
Housing	16	24	8	50%
Development Planning	7	9	2	29%
Others	5	4	-1	-20%
Children's Services – SEN	3	2	-1	-33%
Chief Execs – Electoral Services	1	2	1	100%
Policy, Perf & Communications-Events	1	0	-1	-100%
Total	113	131	18	15.90%

- 9.4. A recent review of the volumes of complaints received between April 2019 to end October 2019 (current financial year) has been undertaken (**see Table 8 below**) and this indicate there has been an additional 28 complaints (32% increase) received when compared to the same period for 2018/19. The return of Housing Management (what was CWH) has contributed to the increase in volume although there is a small uplift in many of the other service areas. However, Housing Benefit has seen a reduction in stage 2 complaint volumes.
- 9.5. **Table 9** plots the totals received for each month for the years 2017/18, 2018/19, 2019/20 and his indicates that this trend is not slowing down. While the months of July to October usually see a month on month decline in volume through to the end of the financial year there has been an overall increase. In particular, the month of October 2019 has recorded 23 stage 2 complaints received. The Corporate Complaints team is not currently resourced to deal with such high volumes of complaints.
- 9.6. The increase is due in part to the return of CityWest Homes (now called Housing Management), to the Council as previously CWH operated their own complaints procedure and now must follow the Council's corporate complaints procedure. As see in **Table 9** below Housing Management has received 33 stage 2 complaints for the current year to date and this represents 29% of the total volume of complaints received.

- 9.7. This report also notes the overall reduction in City Treasurers (HB/CT/NNDR) stage 2 complaints when compared with the same period last year. This reduction is due to the work the department has done by ensuring that :
- Cases that are logged as complaints are genuine complaints
 - Improve the Stage 1 responses to prevent escalation to Stage 2
 - Improve the level of detail in the Stage 2 response to prevent LGO
- 9.8. Without the reduction in volume from City Treasurers the increase in Housing Management complaints would have had an even more significant impact on the turnaround of complaint responses.

Table 8 a comparison of stage 2 complaints received from 1 April 2019 to 31 October 2019 for both 2018/19 and 2019/20

Directorate/ Division		2018/19 April to end of Oct	2019/20 April to end of Oct	Variance
City Treasurers		42	16	-26
	<i>Housing Benefit</i>	20	5	-15
	<i>Council Tax</i>	15	10	-5
	<i>Business Rates</i>	7	1	-6
City Management and Communities		24	32	8
	<i>Waste and Parks</i>	7	3	-4
	<i>Public Protection and Licensing</i>	7	10	3
	<i>Parking Services</i>	8	11	3
	<i>Highways and Public Realm</i>	0	4	4
	<i>Libraries and Archives</i>	2	0	-2
	<i>CMC - Physical Activity, Leisure and Sport</i>	0	4	4
Growth, Planning and Housing		20	57	37
	<i>Development Planning</i>	7	3	-4
	<i>Housing Solutions Service</i>	13	21	8
	<i>Housing Mgt (was CWH)</i>	Dealt with by CWH	33	33
Chief Executives		2	2	0
	Electoral Services	2	2	0
Policy, Performance and Communications		0	1	1
	<i>City Promotions, Events and Filming</i>	0	1	1
Children's Services	Children's services	0	7	7
Total		87	115	28

Table 9 – Monthly Stage 2 Complaint totals for the first 7 month of the years 2017/18, 2018/19 and 2019/20

Month	Nos Stage 2 complaints 2017/18	Nos Stage 2 complaints 2018/19	Nos Stage 2 complaints 2019/20	Variance between 2018/19 & 2019/20
April	11	14	11	-3
May	11	15	15	0
June	6	16	8	-8
July	12	13	20	7
Aug	8	13	16	3
Sept	4	12	17	5
Oct	7	5	23	18
Totals to end of Oct	59	88	110	22

10. Stage 2 – Responses within the 10 day target

- 10.1. As indicated in **Table 10** below response times have slowed when compared with 2017/18 and overall the target response was met in 25% of complaints for 2018/19 against 56% for 2017/18. The reduction in meeting the target response time was due in part to one of the two stage 2 complaint investigators commencing a secondment in August 2017, therefore the majority of complaints were investigated by the remaining complaint investigator, the increase in stage 2 complaints, the number of complex investigations, and services have generally been slower in replying to requests for information.
- 10.2. The complaints team has raised concerns about delays and poor responses to requests for information with the services and the team continue to monitor the situation.

Table 10 - Response Time to Complaints by Directorate

Directorate	2017/18					2018/19				
	0-10 days	11-20 days	20+ days	Total days	% in Target	0-10 days	11-20 days	20+ days	Total days	% in Target
City Treasurer	31	15	4	50	62%	18	18	19	55	33%
City Management & Communities	14	17	4	35	40%	6	13	19	38	18%
Growth, Planning & Housing	18	4	1	23	78%	9	9	13	31	33%
Chief Executives/Chief of Staff	1	0	0	1	100%		1	1	2	0%
Children Services	3	0	0	3	100%	0	2	0	2	0%
Policy, Performance & Communications	1	0	0	1	100%	0	0	0	0	

11. Stage 2 Outcomes

- 11.1. As indicated in **Table 11** below only 5% of stage 2 complaints were upheld 4% for the preceding year. This is a good indicator that stage 1 is finding and rectifying faults in service delivery as we would expect that the stage 2 complaint investigation would find more upheld cases if the standard of responses was falling. As seen in **Table 12** City Treasurers had 5 of the 7 Upheld complaints and 4 of these came from Council Tax handling. Generally the service failures were down to human error as the stage 1 response had not fully reviewed the complete history of events. This feed back has been given to the service.

Table 11 - A comparison of complaint Outcomes (decisions) for the 2017/18 & 2018/19

	Stage 1			Stage 2		
	2017/18	2018/19		2017/18	2018/19	
Not Upheld	528 (54%)	580 (55%)	▲	87 (77%)	107 (83%)	▲
Partially Upheld	187 (19%)	219 (21%)	▲	21 (19%)	14 (11%)	▼
Upheld	267 (27%)	252 (24%)	▼	5 (4%)	7 (5%)	▲

Table 12 - Outcome by Directorate

Directorate	Not Upheld	Partially Upheld	Upheld	Total	% Upheld or Partially Upheld
City Treasurer+	46	4	5	55	16%
City Management and Communities	31	5	2	39	18%
Growth, Planning and Housing*	26	5	0	33	18%
Children's /CEX/PPC	4	0	0	4	0%
Total	107	14	7	131	16%

*Two cases withdrawn

Reasons for complaint escalation

- 11.2. The Council has an open procedure and welcomes complaints even if the complainant does not fully explain their dissatisfaction with the stage 1 response. The **Figure 8** below indicates that 73% of stage 2 complaints gave no specific reason(s) for escalating their complaint other than to generally disagree with the stage 1 finding. Of those complainants who did cite per specific reasons 37% said that the stage 1 response failed to address all the issues raised in the complaint.
- 11.3. **Table 13** indicates the escalation rate from stage 1 to stage2 across all directorates, and this indicates that in most services the escalation rate is 20% or under. This is good given that there are only two stages in our complaint procedure and you would expect that more complainants would want to escalate their concern to the next stage especially if the stage 1 complaint was not upheld. This is another indicator that stage 1 response are generally thorough.

Figure 8 Reasons complaint escalation

Reasons for complaint escalation

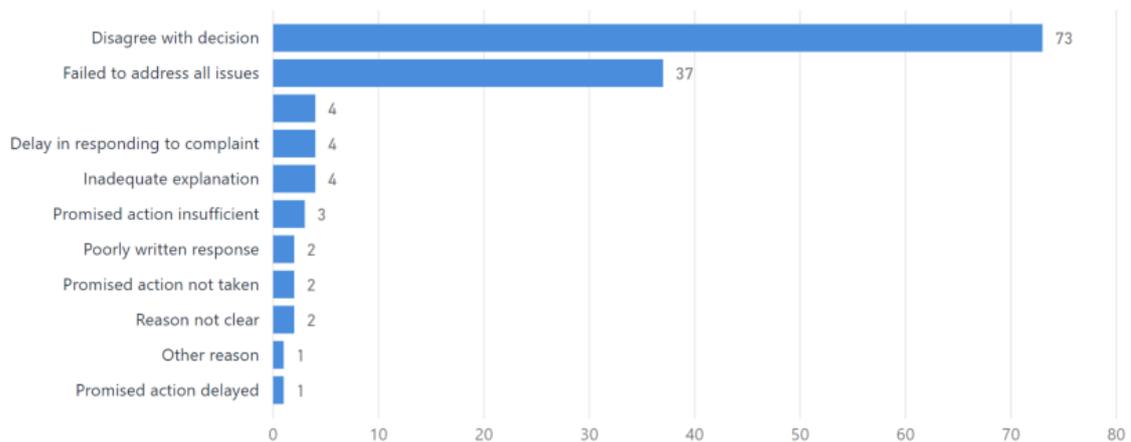


Table 13 – The Escalation rate from stage 1 to stage 2 across all directorates for 2018/19

	Division	Stage 1	Stage 2	Escalation Rate
Chief Executives	Total	3	2	66%
	Electoral Services	2	2	100%
	Committee Services	1	0	0.00%
City Management & Communities	Total	421	40	9.50%
	Waste and Parks	125	8	6.40%
	Parking Services	84	15	17.90%
	Public Protection and Licensing	84	11	13.10%
	Highways Infrastructure and Public Realm	61	1	1.60%
	Community Services	42	3	7.10%
	Libraries and Archives	24	2	8.30%
City Treasurer	Total	512	56	10.90%
	Shared Service Centre	512	56	10.90%
Growth, Planning and Housing	Total	163	33	20.20%
	Housing	112	24	21.40%
	Development Planning	50	9	18%
	Economy and Infrastructure	1	0	0.00%
Policy, Performance and Communications	Total	4	0	0.00%
	City Promotion, Events and Filming	4	0	0.00%
Westminster Adult Education Service (WAES)	Total	1	0	0.00%
	Totals	1104	131	12.00%

12. Local Government and Social Care Ombudsman (LGSCO) First Time Inquiries

- 12.1. When the LGSCO decide that they wish to investigate a complaint about council services they can do so by simply reviewing the information the complainant has provided and/or use information from various web sites or set out in legislation. If they want to obtain specific information from a local authority, such as asking questions or requesting copies of correspondence to assist in an investigation they will write to the relevant council with their request. This is known as first time inquiries. The average response times of first time inquiries is used as a performance measures by the Council.
- 12.2. As shown in **Table 14** there is a decrease (-5) in the number in the number of first time enquiries when compared with the preceding year. This report also notes that the 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 14 - LGSCO total First Time Enquiries for the years 2015/16 & 2016/17

	First Time enquiries Totals 2017/18	First Time enquiries Totals 2018/19	Variance
City Treasurer - HB	4	2	-2
City Treasurer- CT	2	1	-1
City Treasurer- NNDR	0	2	2
GPH - HSS	4	4	0
GPH - Planning	1	0	-1
CMC - Parking	0	2	2
CMC - Highways & Infrastructure	2	0	-2
CMC- Public Protection & Licensing	2	0	-2
CMC - Waste & Parks	1	0	-1
Adult's	3	3	0
Children's Services	3	3	0
Totals	22	17	-5

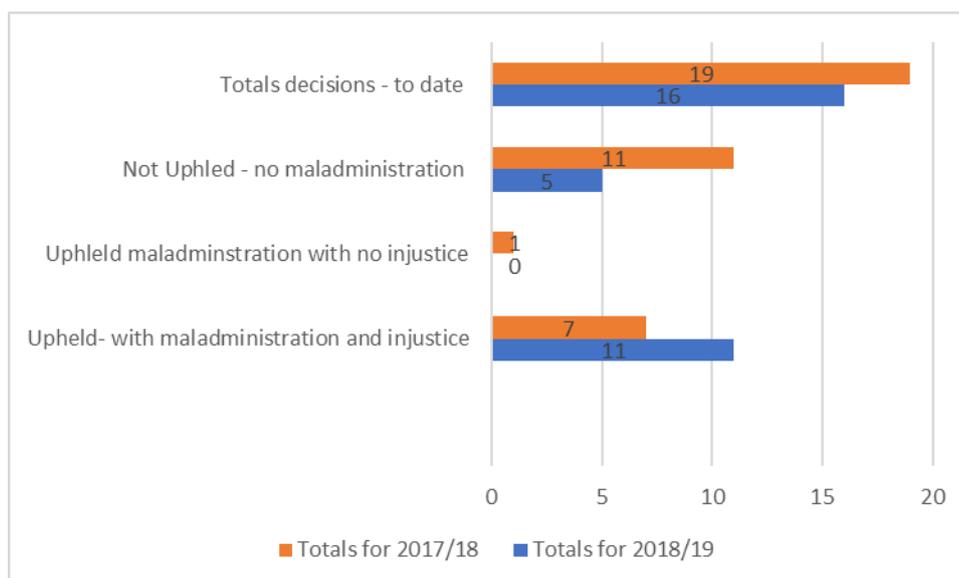
- 12.3. The Council monitors all local authorities on their response times to first time inquiries. The benchmark was 28 calendar days from the date on the LGSCO enquiry letter. However, the Ombudsman investigators now vary the number of days we have to reply. In view of this Table 15 below measure the first time enquiries which met the investigators target response time.

Table 15 - Number of First Time Enquiries Completed on time

2018/19	Number of enquiries completed in target response time	Number of first time enquiries	% Completed in time
City Treasurer- CT/NNDR	1	3	33%
City Treasurer - HB	2	2	100%
GPH - HOS	3	4	75%
Parking Services	2	2	100%
Children's	3	3	100%
Adults	2	3	67%
Totals	11	17	65%

- 12.4. Overall 65% of all first time enquiries were responded on time. However please note that volumes are low and that only 1 of 3 NNDR enquiry met the 28 day target.
- 12.5. Generally all services try and respond to the questions asked as quickly as possible although delays have occurred when the information asked for is complex and lengthy or where the service has not fully answered the questions asked.
- 12.6. While the Council has received 17 first time enquiries in 2018/19 only 16 decisions have been made. **Figure 9** below provides a comparison breakdown of decisions made for 2017/18 & 2018/19

Figure 9 comparison of decisions made in 2017/18 & 2018/19



- 12.7. Attached as **Appendix 1** is the Local Government Ombudsman and Social Care Ombudsman Annual Letter for 2018/19. This review letter reports that there has been a total of 110 complaints and enquiries received. In the preceding year there was a total of 133.
- 12.8. 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. It should also be noted that many of the total complaints and enquiries received (110) are not investigated and are often returned to the authority to answer within their own complaints procedure or are closed after initial enquiries. In addition, they report on all the decisions made in 2018/19 which will include cases received in 2017/18, while the Council monitors those cases decided in the year they were received.
- 12.9. Table 16 below provides a comparison of all the LGSCO complaints and Enquiries received for 2017/18 & 2018/19.

Table 16 – a comparison of all LGSCO Complaint decisions & Enquiries for 2017/18 and 2018/19

	2017/18	2018/19
Total number of complaints and enquiries	133	110
Cases referred back to Council or advice given or cases not completed for valid reasons	57 (43%)	54 (49%)
Cases closed after initial enquiries made	39 (29%)	38 (34%)
Total number of cases formally investigated	35 (26%)	18 (16%)
Cases Upheld	20 (15%)	9 (8%)
Cases Not Upheld	15 (11%)	9 (8%)

- 12.10. As indicated in the table above only 18 (16%) of complaints were investigated by making formal enquiries while in the preceding year 25 (26%) cases had formal enquiries made.
- 12.11. Looking at the 9 complaints mentioned in the LGSCO annual letter which were decided in 2018/19 and were Upheld with Maladministration and Injustice in 6 cases the matters went from stage 1 response straight to LGSCO investigation therefore there was no opportunity for a stage 2 investigation and no opportunity for the Council to review the stage 1 response to see if any fault could be found. There were only 2 complaints which were investigated at stage 2 and then went to LGSCO investigation and in both cases the stage 2 complaints were not upheld.
- 12.12. There were no formal published reports issued against the Council finding maladministration with injustice for 2018/19.

Compensation

- 12.13. The LGSCO can award financial payments as part of a remedy for the complaint. The term “injustice remedied” is used to describe decisions where the council remedied or agreed to remedy any injustice to the LGSCO’s satisfaction during the investigation so allowing the complaint to be closed. These remedies can include the payment of financial settlements.
- 12.14. A comparative breakdown of LGSCO financial remedies for the years 2017/18 and 2018/19 can be found below (**Table 9**).

Financial Local settlements	2018/19	nos of complaints offering compensation		2017/18	nos of complaints offering compensation
GPH - HSS	£7,900	4		£150	1
City Treasurer- HB	Nil	0		£550	3
City Treasurer- CT	£100	1		Nil	0
City Treasurer- NNDR	£1,230	2		Nil	0
Adults	£500	1		Nil	0
Children's	£0	0		£400	1
Totals	£9,730	8		£1,100	5

- 12.15. Where applicable compensation is usually paid by the relevant contractor/provider and not from the Council’s purse.
- 12.16. It is difficult to make performance comparisons between financial years as each complaint is dealt with on its merits although **Table 9** indicates there has been an increase in compensation paid. However, it should be noted that one payment from GPH, Housing Solutions Service totalled £7350. This was a large payment owing to the fact that during the course of the LGSCO investigation they established that a family was living in unsuitable temporary accommodation for nearly 4 years and therefore awarded £350 for distress and time and trouble in pursuing the complaint and £150 for each month living in unsuitable temporary accommodation (£150 x 47 months = £7,050). A single award of £1,080 was made in an NNDR case. Although the complaint

also involved CT the service fault was that the complainant was receiving CT and NNDR bills for a company which was not at his address although the CT account was sorted the NNDR was not and continued to the enforcement stage where upon an enforcement agent called to collect payment. While the LGSCO recognised and welcomed the Council offer £300 compensation at stage 2 for time and trouble in pursuing his complaints with both services they also awarded £300 for distress and £450 towards the complainant's solicitors and accountant's costs as he had to take advice to sort of the matter.

- 12.17. There is some learning from the LGSCO complaints decided in 2018/19. The first is that services should, where possible prioritise responses to LGSCO enquiries as they are often late in commenting on the LGSCO draft decision and any further comeback enquiries.
- 12.18. All services should ensure all LGSCO recommendations and remedies are dealt with in a timely manner and that they have complied with all the remedies set out in an LGSCO decision statement within the time frames set out, as it is not uncommon for remedies to be completed outside of the date agreed with the LGSCO
- 12.19. When answering LGSCO first time enquiries all services should provide their own understanding of the complaint, as the LGSCO asks that this is done as well as answering the specific questions asked. Services should also provide additional information outside of the questions asked if they consider that additional information will assist the LGSCO investigator in understanding the complaint and the actions taken by the Council so we can achieve a positive outcome to the complaint
- 12.20. What is also evident from the LGSCO decisions is that they will go back and review the whole conduct of an issue from the very beginning while the Council's complaint investigation tends to focus on the immediate issues raised in the actual complaint. In the case of the HSS complaint where £7,350 was awarded, the complaint was first offered temporary accommodation in 2014 and the complaint investigated by the Council was about the condition of the property and not whether it was suitable accommodation. Services therefore may want to look beyond the scope of the actual complaint to see if any other issues have been missed.

13. Leader and Cabinet Members Correspondence

- 13.1. Correspondence addressed to the Leader, Cabinet Members and backbench 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.
- 13.2. Over the past year the Cabinet Secretariat and Member Services team have found that the individual services have in general provided a prompt service and therefore the team are meeting the ten working day turnaround target for correspondence.
- 13.3. The quality of the information gathered from across the Council is generally high overall and provides enough insight to compile a full response to the correspondence. In some cases however the team do have to push for more

than one option of moving forward if it is felt that there could be an alternative. There are also times when some of the information provided is very technical and it needs to be put into more straightforward language for the service user.

- 13.4. The main themes of correspondence/enquiries over the last year have been under the Housing Services and Environment and City Management (including parking) portfolios.
- 13.5. The iCasework case management system has been used by the Cabinet Secretariat and Member Services team since 1 September 2016; ensuring that the team meets its ambition of acknowledging requests within 24 hours and providing a response within ten working days.
- 13.6. Over the next year, the system and associated processes will be reviewed to see how they can be improved including closer collaboration with other Council departments which are using the same system.
- 13.7. The data provided in Table 9 indicates that there has been a slight increase in the volume of correspondence received over the year. This can be attributed to increased calls and emails but also better use of the system for recording by the team.

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

Portfolio	2018/19	2017/18
Leader	7	-
Environment and City Management	127	65
Family Services and Public Health	31	45
Finance, Property and Regeneration	73	52
Housing Services	129	167
Place Shaping & Planning	35	55
Public Protection and Licensing	54	18
Sports, Culture and Community	6	22
Customer Services & Digital	2	-
Economic Development, Education and Skills	5	1
Totals	469	425

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APPENDIX 2
**Local Government and Social
Care Ombudsman Annual Letter
for 2018/19**

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24 July 2019

By email

Stuart Love
Chief Executive
Westminster City Council

Dear Mr Love

Annual Review letter 2019

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2019. The enclosed tables present the number of complaints and enquiries received about your authority, the decisions we made, and your authority's compliance with recommendations during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

Complaint statistics

As ever, I would stress that the number of complaints, taken alone, is not necessarily a reliable indicator of an authority's performance. The volume of complaints should be considered alongside the uphold rate (how often we found fault when we investigated a complaint), and alongside statistics that indicate your authority's willingness to accept fault and put things right when they go wrong. We also provide a figure for the number of cases where your authority provided a satisfactory remedy before the complaint reached us, and new statistics about your authority's compliance with recommendations we have made; both of which offer a more comprehensive and insightful view of your authority's approach to complaint handling.

The new statistics on compliance are the result of a series of changes we have made to how we make and monitor our recommendations to remedy the fault we find. Our recommendations are specific and often include a time-frame for completion, allowing us to follow up with authorities and seek evidence that recommendations have been implemented. These changes mean we can provide these new statistics about your authority's compliance with our recommendations.

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 your 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 our annual review of local government complaints. For the first time, this includes data on authorities' compliance with our recommendations. This collated data further aids the scrutiny of local services and we encourage you to share learning from the report, which highlights key cases we have investigated during the year.

New interactive data map

In recent years we have been taking steps to move away from a simplistic focus on complaint volumes and instead focus on the lessons learned and the wider improvements we can achieve through our recommendations to improve services for the many. Our ambition is outlined in our [corporate strategy 2018-21](#) and commits us to publishing the outcomes of our investigations and the occasions our recommendations result in improvements for local services.

The result of this work is the launch of an interactive map of council performance on our website later this month. [Your Council's Performance](#) shows annual performance data for all councils in England, with links to our published decision statements, public interest reports, annual letters and information about service improvements that have been agreed by each council. It also highlights those instances where your authority offered a suitable remedy to resolve a complaint before the matter came to us, and your authority's compliance with the recommendations we have made to remedy complaints.

The intention of this new tool is to place a focus on your authority's compliance with investigations. It is a useful snapshot of the service improvement recommendations your authority has agreed to. It also highlights the wider outcomes of our investigations to the public, advocacy and advice organisations, and others who have a role in holding local councils to account.

I hope you, and colleagues, find the map a useful addition to the data we publish. We are the first UK public sector ombudsman scheme to provide compliance data in such a way and believe the launch of this innovative work will lead to improved scrutiny of councils as well as providing increased recognition to the improvements councils have agreed to make following our interventions.

I would like to take this opportunity to express my thanks to your Council for volunteering and supporting the development of this work throughout the year. We very much appreciate the time you have offered to help make the project a success.

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 2018-19 we delivered 71 courses, training more than 900 people, including our first 'open courses' in Effective Complaint Handling for local authorities. Due to their popularity we are running six more open courses for local authorities in 2019-20, in York, Manchester, Coventry and London. To find out more visit www.lgo.org.uk/training.

Finally, I am conscious of the resource pressures that many authorities are working within, and which are often the context for the problems that we investigate. In response to that situation we have published a significant piece of research this year looking at some of the common issues we are finding as a result of change and budget constraints. Called, [Under Pressure](#), this report provides a contribution to the debate about how local government can navigate the unprecedented changes affecting the sector. I commend this to you, along with our revised guidance on [Good Administrative Practice](#). I hope that together these are a timely reminder of the value of getting the basics right at a time of great change.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M King', with a stylized flourish at the end.

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: 31/03/2019

For further information on how to interpret our statistics, please visit our [website](#)

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
11	25	7	11	10	5	37	5	4	115

Decisions made

Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Detailed Investigations			Total
				Not Upheld	Upheld	Uphold Rate (%)	
12	6	36	38	9	9	50	110

Note: The uphold rate shows how often we found evidence of fault. It is expressed as a percentage of the total number of detailed investigations we completed.

Satisfactory remedy provided by authority

Upheld cases where the authority had provided a satisfactory remedy before the complaint reached the Ombudsman	% of upheld cases
0	0

Note: These are the cases in which we decided that, while the authority did get things wrong, it offered a satisfactory way to resolve it before the complaint came to us.

Compliance with Ombudsman recommendations

Complaints where compliance with the recommended remedy was recorded during the year*	Complaints where the authority complied with our recommendations on-time	Complaints where the authority complied with our recommendations late	Complaints where the authority has not complied with our recommendations	
13	11	2	0	Number
	100%		-	Compliance rate**
<p>Notes:</p> <p>* This is the number of complaints where we have recorded a response (or failure to respond) to our recommendation for a remedy during the reporting year. This includes complaints that may have been decided in the preceding year but where the data for compliance falls within the current reporting year.</p> <p>** The compliance rate is based on the number of complaints where the authority has provided evidence of their compliance with our recommendations to remedy a fault. This includes instances where an authority has accepted and implemented our recommendation but provided late evidence of that.</p>				

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City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 27 th November 2019
Classification:	For General Release
Title:	Counter Fraud 2019/20 – Half Year Progress Report
Wards Affected:	All
Financial Summary:	There are no direct financial implications arising from this report. However, the application of approved anti-fraud policies is intended to protect the Council against loss through fraud and corruption.
Report of:	Gerald Almeroth, Executive Director of Finance and Resources
Report author:	Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 2777

1. Executive Summary

- 1.1 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 2019 to 30 September 2019.

2. Recommendations

- 2.1 The Committee notes the content of the report.
- 2.2 The Committee indicate any areas of the report that require further investigation.

3. Reasons for Decision

3.1 To inform Members of how the City Council is delivering its anti-fraud and corruption strategy.

4. Background

4.1 This report provides an account of counter-fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2019 to 30 September 2019.

4.2 CAFS remains a shared service covering three Councils and continues to reap many benefits, including the sharing of skills and expertise, best practice and the streamlining of anti-fraud related policies and procedures.

4.3 CAFS continues to provide Westminster City Council with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.

4.4 For the period 1 April 2019 to 30 September 2019, CAFS identified 127 positive outcomes, including 26 successful prosecutions and 22 recovered tenancies. Fraud identified has a notational value of over £555,171 and is detailed in the following table.

Activity	Half-year 2018/19		Half-year 2019/20	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud	3	27,700	6	7,600
Right to Buy	21	40,780	10	12,300
Advisory Reports (pro-active)	-	-	6	15,000
Prevention subtotal	24	68,480	22	34,900
Tenancy Fraud (Council and Registered Providers)	10	98,950	22	223,900
Insider fraud	-	-	1	2,000
High/Medium risk fraud (e.g. NNDR, Procurement)	-	-	3	45,000
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	7	14,266	4	5,299
Disabled Parking	53	119,250	33	64,600
Resident's Parking	11	18,000	7	5,300
Detection subtotal	81	250,466	70	346,099
Proceeds of Crime (POCA)	-	-	4	93,371 <i>(repaid to date £52,668)</i>
NFI recovery	-	-	30	78,801
Press releases and publicity	1	2,000	1	2,000

Deterrence subtotal	1	2,000	35	174,172
Total	106	320,946	127	555,171

4.5 Between 1 April 2019 to 30 September 2019, CAFS investigated 395 cases, including 225 new referrals, and concluded 208 investigations. A conclusion could mean support of a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and stops it continuing, an action that deters fraud, or no further action where there is no case to answer.

4.6 The table below shows this activity and details the fraud types that make up the closed cases, and the active caseload at the start of the current financial year.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/19	157	Tenancy & Housing cases	116	110
New referrals received	225	Insider fraud	4	2
Closed investigations	208	Other Corporate	9	7
Positive outcomes	127	Parking and Blue Badges	75	54
Live cases as at 01/10/19	174	POCA	4	1

4.7 Details of noteworthy activity and cases are reported in Appendix 1.

5. Whistleblowing

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

5.2 Since April 2019 CAFS have received no new referrals via the whistleblowing process.

5.3 The whistleblowing policy is currently under review by People Services and CAFS, and the revised version will be supported by a bespoke reporting line and an internal communications strategy.

6. Anti-Fraud and Corruption Strategy

6.1 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*.

6.2 The Strategy places emphasis on 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.

7. Acknowledge

Maintain a robust anti-fraud response.

- 7.1 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*)
- 7.2 Responding solely with reactive referrals often fails to provide the levels of coverage required to provide a robust anti-fraud response.
- 7.3 CAFS continue to dedicate resources to pro-active operations which either review the fraud risk of a Council service, and informs the fraud risk register, or counter-fraud drives that detect, deter and disrupt fraud. For example, a series of tenancy checks on a large residential block or estate.
- 7.4 Combining pro-active work plans with reactive capability increase the chances of fraud detection but also acts as a robust preventative measure, especially if overt activities disrupt potential fraudsters.
- 7.5 Details of concluded risk reviews and pro-active counter fraud activity are reported in Appendix 1.

8. Prevent

- 8.1 In addition to the specialist investigative role, CAFS continue to provide advice and support to every aspect of the organisation including its partners and contractors.
- 8.2 Advice varies between fraud risk, fraud prevention and detection, money laundering and other criminal activity as well as misconduct and misuse of public funds. Some of the matters may progress to criminal investigation, but in all cases appropriate action, including disciplinary or recovery action, is taken.

- 8.3 This element along with the 'preventative – deterrent' nature of CAFS work is hard to quantify but where appropriate CAFS will highlight this activity within their reports to this Committee.

Corporate investigations

- 8.4 Corporate investigations cover a wide range of different counter-fraud activities including, but not limited to, financial investigations, complex third-party fraud investigations, contractor or employee fraud, or actions and activities that contribute towards an effective assurance framework.

- 8.5 Since 1 April 2019 corporate investigation work has included:

- A supplier provided conflicting information on New Vendor Forms and was suspected of overcharging. Investigative work included a review of invoices and verification that work had been completed. No fraud against WCC was found, but it raised concerns regarding other criminality, i.e. revenue offences. Referral made to appropriate law enforcement agency.
- National Anti-Fraud Network (NAFN) alert informed councils that fraudsters were targeting NNDR and Council Tax accounts with stolen credit/debit cards. The alert identified two suspects in Westminster and action was taken to prevent a possible £8,000 fraud.
- Dissemination of a Fraud Alert to Westminster schools highlighting the risks of potential spam emails that pretend to be from the Headteacher or Chair of Governors. The messages targeted schools during the summer holidays to request immediate payments from school funds.
- For the second year running the Schools, Admission officers were provided access to the fraud tool, AppCheck to assist with the validation of school placement applications as well as offering advice and guidance where anomalies on forms were found.
- Dissemination of a ward councillor fraud briefings commenced in July 2019 with each ward receiving a bespoke report and update. The next set of bespoke reports will be issued shortly, detailing an account of counter-fraud related activity from 1 April 2019 to 30 September 2019.

Housing/Tenancy Fraud

- 8.6 CAFS provides an investigative service to all aspects of housing, including the verification of applications for housing support, as well as requests 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.

- 8.7 For the period 1 April 2019 to 30 September 2019, CAFS has successfully recovered 22 properties, including four successions, that can now be allocated to a family in genuine need of assistance. CAFS also prevented six false housing applications.
- 8.8 Additionally, twelve recoveries involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties can be promptly reallocated.
- 8.9 In a milestone case, a tenant was ordered to pay over £100,000 for illegally subletting his Council property in Victoria as a holiday home through Airbnb.
- 8.10 The property in Vauxhall Bridge Road had been advertised on Airbnb with over 300 reviews dating back to 2013. CAFS found some of the reviews mentioned the tenant by his name, thanking him for his advice and local restaurant recommendations. Bank statements also proved he had been receiving payments from Airbnb several years.
- 8.11 At the hearing in July, the judge made an Unlawful Profits Order (UPO) of £100,974.94 – one of the highest that has ever been awarded to the council. The tenant has now been evicted from the property.
- 8.12 This case has generated a lot of positive publicity, ranging from media coverage to the investigating officer being asked to speak at national and local fraud conferences and forums.
- 8.13 Full details of all successful investigation activity regarding social housing is detailed in the table below, and noteworthy cases are reported in Appendix 1.

Landlord	Location	Postcode	Size (bedrooms)	Reason for recovery	Outcome
Council	Birch House	W10	1	Eligibility	Succession stopped
Council	19 Ellwood Court	W9	1	Non-residence	Surrendered keys
Council	Chaucer House	SW1V	3	Non-residence	Court possession
Council	Simpson House	NW8	1	False Application	Court possession
Council	Sixth Avenue	W10	3	False succession	Downsize property
Council	Darent House	NW8	studio	Subletting	Court possession
Council	Portnall Road	W9	1	Non-residence	Court possession
Council	Henry Wise House	SW1V	studio	Subletting	Court possession
Council	Crawford Buildings	W1H	1	Non-residence	Court possession
Council	Drakeland House	W9	1	Non-residence	Court possession
Peabody	Hanover Flats	W1K	1	Non-residence	Court possession
NHG	Star Street	W2	2	Non-residence	Surrendered keys
Soho	Wardour House	W1F	1	Non-residence	Surrendered keys
Council	Westbourne House	SW1W	5	Non-residence	Surrendered keys
Council	Grove Road	RM17	3	Non-residence	Surrendered keys
Council	Blackstone House	SW1V	2	Non-residence	Surrendered keys
Council	Probyn House	SW1P	1	False succession	Succession stopped
Peabody	Peabody Avenue	SW1V	3	Non-residence	Court possession
Council	Kennet House	NW8	2	False succession	Succession stopped
Council	Westbourne Terrace	W2	studio	Subletting	Court possession
Council	Wardour House	W1W	1	Non-residence	Surrendered keys
Network	Willow Place	SW1P	2	Subletting	Court possession

Peabody	Charing Cross Road	WC2	2	Subletting	Court possession
Peabody	Harvey House	SW1V	3	Non-residency	Court possession

Right to Buy (RTB)

- 8.14 CAFS apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.
- 8.15 For the period 1 April 2019 to 30 September 2019, CAFS has successfully prevented ten 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.
- 8.16 The prevention work undertaken by CAFS in respect of RTB continues to protect valuable Council stock. While RTB applications have remained static since 2017, there has been a decline in the number of completions.
- 8.17 The table below shows the number of applications received and the number completed since 2016.

Financial year	RTB applications	Sales complete
2016/17	160	24
2017/18	112	18
2018/19	114	11
2019/20 (to date)	53	7

Parking investigations

- 8.18 CAFS continue to investigate the misuse of disabled parking badges, and for the period 1 April 2019 to 30 September 2019 have successfully prosecuted 23 offenders. A further thirteen cases are currently lodged with the Council's solicitors awaiting court dates, while fourteen live cases remain under investigation.
- 8.19 From the successful prosecutions secured to date, fines totalling £6,529 were imposed, and defendants ordered to pay the Council a total of £9,432 in costs and victim surcharges. The table below identifies the wards where offenders were unlawfully parking when apprehended.

Ward	Prosecutions
West End	16
Marylebone High Street	3
Bryanston & Dorset	2
Hyde Park	2

- 8.20 In addition to stopping misuse by drivers, CAFS also cancelled nine blue badges where the badge holder was not eligible to have received the badge.
- 8.21 CAFS also investigate the misuse of residents parking permits and any suspicious applications. For the period 1 April 2019 to 30 September 2019 the team have successfully detected and taken appropriate action against seven offenders.

National Fraud Initiative (NFI)

- 8.22 A vital component of the anti-fraud and corruption strategy is making better use of information and technology.
- 8.23 The Council participates in the National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.
- 8.24 The tables below highlight the number of referrals received from the NFI exercise, and the progress made to date.

Report Type	Westminster City Council	
	Number of Reports	Number of Matches
Blue Badges	3	218
Creditors History	7	4100
Creditors Standing	4	715
Council Tax Reduction Scheme	33	1088
Deferred Pensions	1	32
Housing Tenants	20	468
Personal Budgets	5	29
Procurement	2	21
Personal Alcohol Licence	1	10
Pensions	3	186
Payroll	9	242
Right to Buy	3	25
Private Residential Care Homes	3	40
Parking Permits	2	50
Waiting List	13	199
TOTALS	109	7423
Under Examination	21	394
Examination Complete	49	5546
Active Incase Investigations	N/A	12
Positive Results	N/A	46

- 8.25 The table below highlights successes generated from the NFI exercises to date.

All Positive Results for Westminster City Council			
Report No	Data match	Match ID	Comments
400.1	Personal Budgets to Benefits Agency deceased persons	4	The report highlighted that a deceased resident was still in receipt of Direct Payments. As a result of the data match, payments have now been stopped and an overpayment of £3,661.26 identified which is being recovered from the estate.

172.3	Residents parking permits to Benefits Agency deceased persons	25	The report highlighted an error in Parking records where a permit had not been cancelled despite notification of the permit holder's death.
710	Duplicate records by creditor name, supplier invoice number and invoice amount but different creditor reference	3	Reported identified a duplicate payment of £1,259.88 to a Westminster supplier. Action has been taken to recover the overpayment.
711	Duplicate records by a supplier invoice number and invoice amount but different creditor reference	Multiple (30)	Reported identified 30 duplicate payments, with a total value of £83,789.03 which had been made to Westminster suppliers. Action has been taken to recover the amount.
170	Blue badge to blue badge between local authorities	1	The report revealed a blue badge issued in error to a person who was only entitled to a white workers badge. CAFS investigators cancelled the badge.
482	CTRS to DWP deceased persons	2	CTRS claimant died, but the benefit was not cancelled. This issue was not identified until NFI 2018 CTRS reports. As a result, £3,707.33 of CTRS was given. This has now been withdrawn and a correct Council Tax bill reissued.
240	Waiting List to Housing Benefit Claimants	48	The report revealed that a person on the housing waiting list had found accommodation but not been removed from the list.
172.3	Residents Parking to DWP deceased	Multiple	The report revealed six residents parking permits where the permit holder had died. CAFS investigators cancelled the permits to ensure no future misuse.
240	Waiting List to Housing Benefits	8	The investigation did not find housing fraud but identified a person was not entitled to Westminster issued blue and white disabled badges which were cancelled.
712	Duplicate records by postcode, invoice date and invoice amount but different creditor reference and supplier invoice.	5	The report identified a payment of £2,917.20 which had been made to a Westminster supplier. Action taken to recover payment.
261	The housing waiting list to DWP deceased	4	Deceased person remained on the common housing register, but they have now been removed from the list.

9. Pursue

Deterrence

- 9.1 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.

Sanctions

- 9.2 Criminal prosecutions are one of the strongest fraud deterrents due to the powers and sanctions of the criminal court, including confiscation, the threat of a custodial sentence and a criminal record.
- 9.3 For the period 1 April 2019 to 30 September 2019, CAFS has successfully prosecuted 26 offenders, including;
- Falsely claimed business rates refund by a member of the public who had intercepted post intended for a company to request a refund. CAFS traced the suspect and the money who admitted the offence when questioned. The fraud loss of £45,000 was repaid in full.
 - CAFS investigated a personal budget case and found an individual who had misused his mother's direct payments, intended to pay for her care, to feed his addictions. He was sentenced to an 18 months Community Order including 200 hours of unpaid work, a 20 days Rehabilitation Activity Requirement and an eight Curfew Requirement between the hours of midnight and 4 am. The judge ordered compensation, payable to the Council, for £9,580. This is to be repaid at £200 per month.
 - Individual tried to use false work history and employment references when applying to join Westminster City Council. The prosecution resulted in a sentence of 16 weeks imprisonment suspended for two years and ordered to undertake 100 hours of unpaid work.
- 9.4 Details of the above cases are reported in Appendix 1.
- 9.5 To deter fraud, the Council must continue to publicise the successful outcomes of their investigations. CAFS record a positive result each time a story is published by the national or local media because positive publicity about the successful detection, prosecution or prevention of fraud may help to deter others.

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

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

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PRO-ACTIVE OPERATIONS

Source	Fraud Review	Details	Risk
<p>Risk Review</p>	<p>Market Traders: Permanent and casual street trading licences</p> <p>A review of the controls in place to mitigate the risks of fraud affecting the service.</p> <p>Perceived fraud risks included:</p> <ul style="list-style-type: none"> • Bribery and favouritism regarding casual street traders • Cash handling risks • Loss of revenue 	<p>The review of the service revealed it has a strong website presence and an easy to follow guide detailing 'how to become a market trader'. This guide confirms that pitch licences can only be paid for by debit card or direct debit (with a 10% discount offered for permanent pitch-holders paying by that method).</p> <p>Following interviews with key personnel and a review of operation processes, the risk review found that the new applications for pitches are processed by a back-office administrative team. The market inspectors no longer allocate pitches or handle any payments enabling them to focus on enforcement and licensing,</p> <p>This segregation of duties negated the primary fraud risks associated with bribery and cash handling.</p> <p>No other fraud risks were identified, and a final fraud risk assessment saw the risk score significantly reduce from 9 to 2.</p>	<p>Fraud risk register</p> <p>Risk score reduced ↓ LOW = 2</p> <p>Impact = Low 2 [Low financial loss, low political risk with low media coverage; low reputational risk]</p> <p>Likelihood = Rare 1 [No fraud reported last three years; No known occurrences outside organisation]</p> <p><i>Previously: Medium impact (3) and Possible likelihood (3)</i></p>

<p>Risk Review</p>	<p>Local Support Payment Scheme</p> <p>The local support scheme is designed to ensure that, in a crisis or an emergency, residents who are most at risk can receive access to the support they need.</p> <p>The local support scheme replaced community care grants and crisis loans for general living expenses. It is administered on our behalf by Kensington and Chelsea Council.</p> <p>Perceived fraud risks included:</p> <ul style="list-style-type: none"> • False applications • Collusion and insider fraud 	<p>Applications for local support payments can only be made for living expenses or for essential items following an emergency or to help people to settle in the community.</p> <p>Payments are made in three different ways;</p> <ol style="list-style-type: none"> 1. Vouchers to be exchanged for household equipment or furniture (usually refurbished items or in some cases new goods, removal expenses or utility connections. 2. Gift cards to be used in major supermarkets for food and essential products. 3. In exceptional circumstances, post officer vouchers can be awarded, which can be exchanged for cash. <p>Payments covering 2017 to date were reviewed and analysed to identify any potential discrepancies. This included the amounts paid, method of payment, method of stock control (gift cards) and the clients in receipt of the award. Closer scrutiny was applied to the post officer vouchers, which involved a much higher level of testing, more analytics and data matching.</p> <p>No discrepancies were identified, and controls were found to be reasonable and proportionate to the risk of fraud.</p>	<p>Fraud risk register</p> <p>Risk score reduced</p> <p>↓</p> <p>LOW = 4</p> <p>Impact = Low 2 [Low financial loss, low political risk with low media coverage; low reputational risk]</p> <p>Likelihood = Unlikely 2 [Controls adequate and review found no discrepancies]</p> <p><i>Previously: Medium impact (3) and Possible likelihood (3)</i></p>
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Pro-active operation	Odhams Walk, Covent Garden, London WC2H	<p>Odhams Walk is a desirable residential building organised around common courtyards, consisting of 104 properties and located in Covent Garden.</p> <p>CAFS have previously investigated several referrals alleging subletting and the use of Airbnb, but have not managed to gather sufficient evidence to prove any fraud.</p> <p>The address was therefore chosen as an ideal location to verify residency, interact with the community and raise awareness.</p> <p>The pro-active operation saw investigators visit all Council stock (62 flats) to verify residency, interact with tenants and to demonstrate that the City Council are committed to tackling tenancy fraud.</p> <p>Outcomes</p> <p>Residency in Council stock was verified throughout the building, although the tenant of one address failed to respond and this property currently remains under investigation.</p> <p>The operation has provided assurances that Odhams Walk does not have high levels of subletting. Although conversations with residents suggested that the leasehold properties within the building were subject to Airbnb short term letting. This intelligence has been shared with colleagues in Planning.</p> <p>The interaction has raised awareness amongst residents that the Council is committed to tackling tenancy fraud, and contact details were shared so that residents can raise any concerns directly with CAFS investigators.</p>	N/A
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Pro-active operation	Fitzrovia Court, Carburton Street, W1	<p>Fitzrovia Court is a sheltered accommodation block consisting of 30 homes and would normally be deemed a low fraud risk. However, the Corporate Anti-Fraud Service have previously investigated and successfully recovered three tenancies. Therefore, an exercise was undertaken to check and verify the residencies of all tenants in the block.</p> <p>The exercise involved unnotified visits to all properties in Fitzrovia Court, to verify residency. The officers also used the activity to raise awareness amongst onsite staff and to remind them of their duty to report fraud. The exercise showed them how to look for signs of non-residency and to recognise how unusual activity might suggest tenancy fraud.</p> <p>Outcomes</p> <p>The exercise verified the residency of all tenants, with one exception, and that was the subject of further investigations. As a result of these enquiries, officers found that the tenant was not using the flat as their main home and the tenancy terminated forthwith.</p>	One-bedroom property recovered
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NOTEWORTHY INVESTIGATIONS AND ACTIVITY

	Case Description
1.	<p>TENANCY FRAUD – An anonymous tip off suggested that the tenant of a Council property in Henry Wise House, Vauxhall Bridge Road, was not using the address as per their tenancy. The referral indicated that the tenant was subletting his property using Airbnb.</p> <p>Searches of Airbnb website found the property, which is a studio flat, advertised as a whole let along with over 300 reviews. CAFS found some of the reviews mentioned the tenant by his name, thanking him for his advice and local restaurant recommendations.</p> <p>Having obtained the tenant’s bank statements via POSHFA, the investigator found credits totalling over £125,000 covering four years. All payments were credited from either Airbnb, Paypal and WorldPay.</p> <p>When investigators visited the property, they found a man who denied being the tenant even though his appearance matched the tenant’s description. The next day the advert had been removed from Airbnb.</p> <p>The tenant failed to attend several interviews under caution, but when possession action commenced, he made representation to the Council via his solicitors. They asked for a further opportunity to be interviewed under caution for their client to provide an account of events. This was agreed, but again, the tenant failed to attend the interview. However, having applied the Codes for Crown Prosecutors to the facts of the case and the defendant’s circumstances, criminal action was not taken.</p> <p>At the possession hearing, the District Judge commented that the AirBNB evidence was strong and that there was no distinction between ‘short term let’ and subletting the home. The judge found in favour of the Council.</p> <p>At an unsuccessful appeal hearing the judge then agreed to the Council’s Unlawful Profits Order (UPO) of £100,974.94 – one of the highest that has ever been awarded to the Council. The tenant has now been evicted from the property.</p> <p>Cllr Andrew Smith, Westminster City Council Cabinet Member for Housing Services, said: “Social housing is there to provide much-needed homes for our residents, not to generate illicit profits for dishonest tenants. It’s illegal for council tenants to sublet their homes and we carry out tenancy checks, as well as monitoring short-term letting websites for any potential illegal sublets. Along with a six-figure unlawful profit order by getting a possession order, we can now reallocate the property to someone in genuine need of a home. We’re also pressing Government to introduce a national registration scheme to make it far easier for us to take action against anyone who breaks the rules on short term letting.”</p>

2.	<p>ADULT SOCIAL CARE - A resident living in Lanark Road required care and assistance from Adult Social Care. Unfortunately, she was not able to deal with her own finances, so a prepaid card was issued to her son so that he could pay for the support and care she required.</p> <p>Carers and family members must only use the money on the Card to help you meet the needs and goals that individuals agreed with their support worker. However, during a half year review it transpired that the son was using this money, not for his mother's care, but instead spending it on gambling websites. He had had misused over £9,000 with most spends being made with an online gambling site.</p> <p>The son was interviewed under caution and admitted spending the money. He said he was a drug, alcohol and gambling addict. He was trying to sort his life out and insisted his mother had still received the care during this period and that he owed a care company. No evidence of this was ever provided.</p> <p>At Westminster Magistrates he pleaded guilty to theft and was sentenced to a 18-month Community Order with requirements to undertake 200 hours of unpaid work, a 20 day rehabilitation activity, a nine month drug rehabilitation course and an eight week curfew requirement between the hours of midnight and 4am</p> <p>The judge also ordered compensation, payable to the Council in the sum of £9,580 but no order for costs. £200 per month, the first payment to be made within 7 days.</p>
3.	<p>APPLICATION FRAUD - The Council received an online job application for employment within Adult Social Care. During the subsequent recruitment process, it became apparent the application contained a substantial amount of false information. The case was referred to the Corporate Anti-Fraud Service for further enquiries to be made.</p> <p>Evidence was obtained from other councils which confirmed that the applicant had made five false statements on her application form. This included dates of engagement and reasons for leaving past employers; fictitious employers; failing to declare she was dismissed from a prior employer, and false employment referees.</p> <p>Prosecution action commenced taking in to account various public interest factors, including the premeditation displayed in creating and providing the false references and the level of the dishonesty displayed in the application.</p> <p>In May 2019 the individual pleaded guilty to all offences at the first hearing and was sentenced to 16-weeks imprisonment suspended 12 months. She was ordered to undertake 100 hours of unpaid work, and pay court costs of £300 and a victim surcharge £115.</p>

4.	<p>OVER INVOICING - An IT supplier completed work, as specified, for the Council and their contract was cancelled in October 2018. Despite written cancellation, further invoices were tendered by the company. These requests for payment were rejected, and no payments were made. However, the matter was referred to CAFS due to the repeated requests for payment.</p> <p>The case was unsuitable for a criminal investigation but was deemed appropriate to share intelligence with other local authorities. The dissemination of such information ensures that a proper level of scrutiny is applied to any payment requests from these IT suppliers, thereby protecting public funds.</p> <p>An intelligence report was disseminated to the National Anti-Fraud Network (NAFN), an organisation which handles evidence and intelligence enquiries on behalf of local authorities, and the case closed.</p>
5.	<p>SUCCESSION FRAUD - An investigation was instigated following a referral from Westminster's Housing department. The elderly tenant of a flat in Church Street, NW8 had passed away and a succession claim for the property had been submitted by her grandson.</p> <p>He was told that a succession could only be considered if he could prove that he had been living with his grandmother in the five years prior to her death. He duly continued with the application declaring that he had been living there since 2008 and in support of his claim he provided documentation including his bank statements.</p> <p>When the file was passed to CAFS an initial examination of the bank statements revealed what appeared to be rent payments since 2015 referenced as "HETLEY ROAD". The last payment made was in June 2018 which coincided with the tenant's death. Investigators then found a link to an address in Hetley Road, W12 and contact with the local council confirmed that the grandson was on the electoral register at this address between 2015 and 2018. Investigators located details for the landlord of the Hetley Road property and they confirmed that the grandson was their tenant from 2015 until July 2018.</p> <p>The grandson was invited to attend an interview under caution to explain his false application. He failed to attend but he sent an email stating that he would not be attending any meetings and that he was moving to Africa and would be returning the keys forthwith. He said that he had "made this honest mistake of writing 2008 rather than 2018".</p> <p>The keys were returned to this property on 2nd September 2019. Having recovered this two-bedroom property that can now be allocated to a family in need of support, the case was closed.</p>

6.	<p>BUSINESS RATES – An application for a refund of overpaid Business Rates was received from a company who had vacated their Baker Street business premises. The application was processed, and the credit balance of £45,668.76 refunded.</p> <p>A few months after the initial refund, a representative from the company contacted the Council to request the same refund, and it became clear that something was amiss, an investigation commenced.</p> <p>Enquiries were undertaken to establish the holder of the account that received the refund. This identified a personal account holder. Further interrogation of Council records showed this person had corresponded with Westminster City Council dealing with other matters and this included a handwritten form. Basic analysis of the handwriting matched it to the original application for a refund of overpaid Business Rates.</p> <p>The individual was asked to attend an interview under caution where she admitted that she had completed the refund application. She claimed that she had not done it for personal gain and never expected to receive the payment from the Council. In mitigation, she said that she was in a challenging situation in her own life.</p> <p>She also stated that she had not spent the money as she had savings and would be able to repay the money which had been taken. Full re-payment of the funds (£45,668.76) was received.</p> <p>The subject attended court for the first appearance on 1 May 2019 and entered a guilty plea to one charge of fraud by false representation. Sentencing was adjourned to 15 May 2019 where she received a six-month custodial sentence, suspended for 18-months. She was ordered to undertake 200 hours of unpaid work and ten-day rehabilitation requirements.</p> <p>The Council were awarded costs of £750 and a victim surcharge £115.</p>
7.	<p>VENDOR FORM DISCREPANCIES - A case was referred to CAFS when a supplier provided conflicting information on New Vendor Forms, which caused doubt about the ownership and operation of the business and raised concerns regarding possible overcharging.</p> <p>The investigation showed false and conflicting information had been provided. However, no evidence suggested works by the supplier had not been completed, nor any signs of loss to the Council.</p> <p>A review of processes did not identify any duplication in invoicing, and a substantive sample of the invoiced work confirmed it had been completed. No fraud against WCC was found, but it raised concerns regarding other criminality, i.e. revenue offences. Referral made to appropriate law enforcement agency.</p>

8.	<p>TENANCY FRAUD - Allegation received from Peabody Housing Association who asked CAFS to investigate a potential tenancy fraud on their behalf, with the promise of nomination rights if we recovered the property. The referral stated that their Hanover Flats, Binney Street, tenant may be living in Ethiopia and another unauthorised occupant has been living in the property who claimed to be the tenant's brother.</p> <p>Enquiries showed that although the tenant had some financial links to the address the majority of links were for the suspected subtenant. UK Border enquiries, with confirmation from the airlines, showed that the tenant had not been in the UK since October 2017 and that this had been a return flight originating from Ethiopia.</p> <p>Prevention of Social Housing Fraud Act powers were used to obtain bank statements for all accounts held by the tenant which confirmed that there had also been no UK activity on his bank accounts since October 2017 confirming that he had been out of the UK throughout.</p> <p>In June 2019 the occupant of the property attended court and confirmed that the tenant was in Ethiopia, no defence was filed and an outright possession order was granted.</p>
9.	<p>TENANCY FRAUD - CAFS received a referral from the Housing Department who suspected that the tenant, of a flat on the Churchill Gardens Estate, was not residing in the UK. The tenant's husband was believed to be a Minister in the Nigerian government, and Housing believed that the couple's principal place of residence was Nigeria.</p> <p>During an (unsuccessful) unnotified visit to the address in Blackstone House, investigators phoned the tenant to ask her whereabouts. Still, she would not give specific details but did confirm she was "not in London" and also stated that no-one was at the property.</p> <p>At a later visit, she was found in the property. She stated that although she lives at in Blackstone House, she does spend considerable time at other addresses both in the UK and abroad. She sometimes stays in a friend's student accommodation at Hatfield University, and sometimes at a flat in Fulham owned by her husband.</p> <p>Our enquiries into the Fulham property later confirmed that she had been renting the property from the landlord (Marsh & Parsons) since 2015. Marsh & Parsons confirmed that she had been resident at the address since signing the tenancy agreement. Further enquiries all placed her at the Fulham address.</p> <p>The tenant was invited to attend an interview under caution but replied: "no comment" to the interview questions. Instead, she provided a prepared statement advising that due to overcrowding at Blackstone House, her husband and two sons moved into the Fulham property.</p> <p>Because of the evidence amassed a notice seeking possession was served and the case listed to appear at the Royal Courts of Justice. However, the tenant's defence made representations to settle, and the tenant returned her keys and surrendered her tenancy in August 2019.</p>

10. BLUE BADGE FRAUD - During a routine inspection of parked vehicles displaying a disabled parking blue badge, the investigating officer came across a gentleman who was seen to alight a car without anyone else in the car before picking up different passengers and seeking to drive off.

The investigator intervened and asked to see the badge, which showed it belonged to the driver's mother, who was not present. The driver claimed his mother was staying at a hotel, around the corner, and then claimed she was just in the guests' room. The guests being the three unnamed individuals carrying suitcases with him to the car. He then gave three different accounts as to why the inspecting officer couldn't see his mother (religion, baby crying, being late).

A signed account of the driver's explanation was taken. However, displaying a blue badge to obtain parking concessions, without the badge holder's presence is an offence, and the matter, therefore, progressed to court where the driver pleaded not guilty.

The driver gave evidence and claimed he was receiving unnamed guests from abroad and that he had driven to pick them up to take them back to his mothers' house about a three to four-minute drive away for a welcome dinner. He claimed he initially parked the car with his mother in Herbert Street as this was the set down/drop off point for the Hilton Hotel. He claimed he left his car on double yellow lines and took his mother in a wheelchair up to the guests' room before moving the vehicle to park it on Chapel Street where the investigator confronted him. He claimed he returned to the car with his family friends and intended to drop them back at his mothers' home before returning to retrieve his mother and the elderly visitor.

He was also cross-examined on the inconsistencies when challenged by the investigator. The fact he initially claimed his mother was staying at the hotel and then claimed she was just in the guests' room; why he gave three different accounts as to why the investigator couldn't see his mother. The driver was not a credible witness under cross-examination.

The Magistrates retired to consider their decision. Upon their return, they commented that they were satisfied that the badge holder was not present and was confident that the offence was committed. They said that even if they believed the defendant's story, which they do not believe, because of the inconsistent evidence, that would not have amounted to a defence to this offence.

They said that for the avoidance of doubt, they found the driver's evidence to be evasive and non-committal throughout and rejected his account of what happened.

In finding the driver guilty, they sentenced him to a fine of £660 and ordered him to contribute to costs £1,145 plus £65 victim surcharge. Ordered to repay at a rate of £150 per month.

11.	<p>TEMPORARY ACCOMMODATION - An anonymous tip off suggested that the resident of temporary accommodation in Grays, Essex had moved back to her mother's home and was now subletting the temporary address. She was no longer homeless or in urgent need of assistance.</p> <p>Enquiries found her linked to her mother's home in Basildon, but no links to the address she was meant to be living in. Through, liaison with counterparts in Basildon and Thurrock councils, the investigating officer organised simultaneous visits to both the temporary accommodation property and her mother's address in Basildon.</p> <p>Officers found her at the address in Basildon where she denied any subletting and said she'd be returning to the Grays address later with her boyfriend. Officers noted she was in her nightclothes.</p> <p>The managing agents of the temporary accommodation conducted an inspection to the property and found it had been trashed. There was no evidence of the tenant.</p> <p>In view of the evidence amassed the temporary accommodation was ended and Housing Solution Services discharged their duty to assist this individual.</p>
12.	<p>SPAM EMAIL FRAUD - CAFS were alerted to a revised version of "CEO Fraud" which tried to exploit schools during the summer holidays. Using fake emails purporting to be from Headteachers and the Chair of Governors, fake requests for immediate payment transfers were made.</p> <p>This type of fraud was originally named "CEO Fraud" because fraudsters used false emails purport to be from the CEO of small companies, instructing their staff to make immediate payments. Staff, often a junior employee, will do as their boss has instructed, only to find that they have sent money to a fraudster's bank account. Once the money is transferred the fraudster will normally redistribute this money into other mule accounts and then close down the bank account to make it untraceable.</p> <p>This revised version follows the same modus operandi but pretends to be from the Headteacher or Chair of Governors.</p> <p>This scam was attempted locally when the finance officer of a nearby primary school received a fake email from the headteacher to make a payment of £9,500. The vigilant finance officer quickly spotted the fake email and alerted CAFS to the attempted fraud.</p> <p>CAFS produced a fraud alert, warning all schools of the danger of scam emails and providing advice on how to protect themselves. This was immediately circulated to all schools across the City Council.</p>

13.	<p>SUCCESSION - A succession application for a one-bedroom property in Drakeland House had been refused, but this was challenged. While the case was with Legal, they asked CAFS to undertake further investigations to prove the succession was false.</p> <p>Initial enquiries linked the applicant to an address in Waltham Forest, and liaison with the local council confirmed that this was a council property which had been investigated by their fraud team. That investigation found our succession applicant to be living in Waltham Forest. She had even provided Waltham Forest investigators with a witness statement to confirm her dates of residency. This showed she had never lived in Drakeland House and proved her succession application was false.</p> <p>The witness statement was later obtained from the Waltham Forest fraud team and shown to the applicant, but she denied ever signing it. However, when the case reached court, she failed to attend the possession hearing, and the Council was awarded the property. Court bailiffs subsequently evicted her.</p>
14.	<p>BUSINESS RATES & COUNCIL TAX - In April 2019 a fraud alert was disseminated to the revenues and benefits department warning them of an increased threat affecting business rate and council tax refunds.</p> <p>The National Anti-Fraud Network notified us that fraudsters were targeting local authorities by setting up new NNDR and CT accounts and making substantial payments with stolen credit/debit cards. They subsequently contact the Council advising they are vacating the premises and request a refund of the initial payment. To complete the scam, they request the refund be paid direct to a bank account rather than the initial card used to make payment. The alert identified two suspects, by name and a potential linked address in SW9.</p> <p>The alert prompted NNDR staff to check accounts and found that one of the named suspects set up a Westminster NNDR account for premises on Great Portland Street W1 and had, in a single day, made three payments totalling £8,000 towards the account. He was subsequently requesting the full £8,000 to be refunded.</p> <p>Enquiries established that along with the successful payments, there were ten unsuccessful attempts to make payments to the account, each with a different credit/debit card. Contact was also made with the occupants of the Great Portland Street business premises who confirmed that the person named was not liable for NNDR and there had been no recent change of occupant.</p> <p>In view of the above CAFS sent a Suspicious Activity Report to the National Crime Agency (NCA) and the matter was reported to Action Fraud. The Council has since received no subsequent contact from the named subject.</p> <p>The action taken reflects the importance of CAFS role in sharing intelligence and disseminating fraud alerts across Council services.</p>



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 27 th November 2019
Classification:	For General Release
Title:	Counter Fraud 2019/20 – Half Year Progress Report
Wards Affected:	All
Financial Summary:	There are no direct financial implications arising from this report. However, the application of approved anti-fraud policies is intended to protect the Council against loss through fraud and corruption.
Report of:	Gerald Almeroth, Executive Director of Finance and Resources
Report author:	Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 2777

1. Executive Summary

- 1.1 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 2019 to 30 September 2019.

2. Recommendations

- 2.1 The Committee notes the content of the report.
- 2.2 The Committee indicate any areas of the report that require further investigation.

3. Reasons for Decision

- 3.1 To inform Members of how the City Council is delivering its anti-fraud and corruption strategy.

4. Background

- 4.1 This report provides an account of counter-fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2019 to 30 September 2019.
- 4.2 CAFS remains a shared service covering three Councils and continues to reap many benefits, including the sharing of skills and expertise, best practice and the streamlining of anti-fraud related policies and procedures.
- 4.3 CAFS continues to provide Westminster City Council with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.
- 4.4 For the period 1 April 2019 to 30 September 2019, CAFS identified 127 positive outcomes, including 26 successful prosecutions and 22 recovered tenancies. Fraud identified has a notational value of over £555,171 and is detailed in the following table.

Activity	Half-year 2018/19		Half-year 2019/20	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud	3	27,700	6	7,600
Right to Buy	21	40,780	10	12,300
Advisory Reports (pro-active)	-	-	6	15,000
Prevention subtotal	24	68,480	22	34,900
Tenancy Fraud (Council and Registered Providers)	10	98,950	22	223,900
Insider fraud	-	-	1	2,000
High/Medium risk fraud (e.g. NNDR, Procurement)	-	-	3	45,000
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	7	14,266	4	5,299
Disabled Parking	53	119,250	33	64,600
Resident's Parking	11	18,000	7	5,300
Detection subtotal	81	250,466	70	346,099
Proceeds of Crime (POCA)	-	-	4	93,371 <i>(repaid to date £52,668)</i>
NFI recovery	-	-	30	78,801
Press releases and publicity	1	2,000	1	2,000
Deterrence subtotal	1	2,000	35	174,172
Total	106	320,946	127	555,171

- 4.5 Between 1 April 2019 to 30 September 2019, CAFS investigated 395 cases, including 225 new referrals, and concluded 208 investigations. A conclusion could mean support of a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and stops it continuing, an action that deters fraud, or no further action where there is no case to answer.
- 4.6 The table below shows this activity and details the fraud types that make up the closed cases, and the active caseload at the start of the current financial year.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/19	157	Tenancy & Housing cases	116	110
New referrals received	225	Insider fraud	4	2
Closed investigations	208	Other Corporate	9	7
Positive outcomes	127	Parking and Blue Badges	75	54
Live cases as at 01/10/19	174	POCA	4	1

- 4.7 Details of noteworthy activity and cases are reported in Appendix 1.

5. Whistleblowing

- 5.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern.
- 5.2 Since April 2019 CAFS have received no new referrals via the whistleblowing process.
- 5.3 The whistleblowing policy is currently under review by People Services and CAFS, and the revised version will be supported by a bespoke reporting line and an internal communications strategy.

6. Anti-Fraud and Corruption Strategy

- 6.1 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*.
- 6.2 The Strategy places emphasis on 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.

7. Acknowledge

Maintain a robust anti-fraud response.

- 7.1 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*)
- 7.2 Responding solely with reactive referrals often fails to provide the levels of coverage required to provide a robust anti-fraud response.
- 7.3 CAFS continue to dedicate resources to pro-active operations which either review the fraud risk of a Council service, and informs the fraud risk register, or counter-fraud drives that detect, deter and disrupt fraud. For example, a series of tenancy checks on a large residential block or estate.
- 7.4 Combining pro-active work plans with reactive capability increase the chances of fraud detection but also acts as a robust preventative measure, especially if overt activities disrupt potential fraudsters.
- 7.5 Details of concluded risk reviews and pro-active counter fraud activity are reported in Appendix 1.

8. Prevent

- 8.1 In addition to the specialist investigative role, CAFS continue to provide advice and support to every aspect of the organisation including its partners and contractors.
- 8.2 Advice varies between fraud risk, fraud prevention and detection, money laundering and other criminal activity as well as misconduct and misuse of public funds. Some of the matters may progress to criminal investigation, but in all cases appropriate action, including disciplinary or recovery action, is taken.
- 8.3 This element along with the 'preventative – deterrent' nature of CAFS work is hard to quantify but where appropriate CAFS will highlight this activity within their reports to this Committee.

Corporate investigations

8.4 Corporate investigations cover a wide range of different counter-fraud activities including, but not limited to, financial investigations, complex third-party fraud investigations, contractor or employee fraud, or actions and activities that contribute towards an effective assurance framework.

8.5 Since 1 April 2019 corporate investigation work has included:

- A supplier provided conflicting information on New Vendor Forms and was suspected of overcharging. Investigative work included a review of invoices and verification that work had been completed. No fraud against WCC was found, but it raised concerns regarding other criminality, i.e. revenue offences. Referral made to appropriate law enforcement agency.
- National Anti-Fraud Network (NAFN) alert informed councils that fraudsters were targeting NNDR and Council Tax accounts with stolen credit/debit cards. The alert identified two suspects in Westminster and action was taken to prevent a possible £8,000 fraud.
- Dissemination of a Fraud Alert to Westminster schools highlighting the risks of potential spam emails that pretend to be from the Headteacher or Chair of Governors. The messages targeted schools during the summer holidays to request immediate payments from school funds.
- For the second year running the Schools, Admission officers were provided access to the fraud tool, AppCheck to assist with the validation of school placement applications as well as offering advice and guidance where anomalies on forms were found.
- Dissemination of a ward councillor fraud briefings commenced in July 2019 with each ward receiving a bespoke report and update. The next set of bespoke reports will be issued shortly, detailing an account of counter-fraud related activity from 1 April 2019 to 30 September 2019.

Housing/Tenancy Fraud

8.6 CAFS provides an investigative service to all aspects of housing, including the verification of applications for housing support, as well as requests 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.

8.7 For the period 1 April 2019 to 30 September 2019, CAFS has successfully recovered 22 properties, including four successions, that can now be allocated to a family in genuine need of assistance. CAFS also prevented six false housing applications.

- 8.8 Additionally, twelve recoveries involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties can be promptly reallocated.
- 8.9 In a milestone case, a tenant was ordered to pay over £100,000 for illegally subletting his Council property in Victoria as a holiday home through Airbnb.
- 8.10 The property in Vauxhall Bridge Road had been advertised on Airbnb with over 300 reviews dating back to 2013. CAFS found some of the reviews mentioned the tenant by his name, thanking him for his advice and local restaurant recommendations. Bank statements also proved he had been receiving payments from Airbnb several years.
- 8.11 At the hearing in July, the judge made an Unlawful Profits Order (UPO) of £100,974.94 – one of the highest that has ever been awarded to the council. The tenant has now been evicted from the property.
- 8.12 This case has generated a lot of positive publicity, ranging from media coverage to the investigating officer being asked to speak at national and local fraud conferences and forums.
- 8.13 Full details of all successful investigation activity regarding social housing is detailed in the table below, and noteworthy cases are reported in Appendix 1.

Landlord	Location	Postcode	Size (bedrooms)	Reason for recovery	Outcome
Council	Birch House	W10	1	Eligibility	Succession stopped
Council	19 Ellwood Court	W9	1	Non-residence	Surrendered keys
Council	Chaucer House	SW1V	3	Non-residence	Court possession
Council	Simpson House	NW8	1	False Application	Court possession
Council	Sixth Avenue	W10	3	False succession	Downsize property
Council	Darent House	NW8	studio	Subletting	Court possession
Council	Portnall Road	W9	1	Non-residence	Court possession
Council	Henry Wise House	SW1V	studio	Subletting	Court possession
Council	Crawford Buildings	W1H	1	Non-residence	Court possession
Council	Drakeland House	W9	1	Non-residence	Court possession
Peabody	Hanover Flats	W1K	1	Non-residence	Court possession
NHG	Star Street	W2	2	Non-residence	Surrendered keys
Soho	Wardour House	W1F	1	Non-residence	Surrendered keys
Council	Westbourne House	SW1W	5	Non-residence	Surrendered keys
Council	Grove Road	RM17	3	Non-residence	Surrendered keys
Council	Blackstone House	SW1V	2	Non-residence	Surrendered keys
Council	Probyn House	SW1P	1	False succession	Succession stopped
Peabody	Peabody Avenue	SW1V	3	Non-residence	Court possession
Council	Kennet House	NW8	2	False succession	Succession stopped
Council	Westbourne Terrace	W2	studio	Subletting	Court possession
Council	Wardour House	W1W	1	Non-residence	Surrendered keys
Network	Willow Place	SW1P	2	Subletting	Court possession
Peabody	Charing Cross Road	WC2	2	Subletting	Court possession
Peabody	Harvey House	SW1V	3	Non-residency	Court possession

Right to Buy (RTB)

- 8.14 CAFS apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.
- 8.15 For the period 1 April 2019 to 30 September 2019, CAFS has successfully prevented ten 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.
- 8.16 The prevention work undertaken by CAFS in respect of RTB continues to protect valuable Council stock. While RTB applications have remained static since 2017, there has been a decline in the number of completions.
- 8.17 The table below shows the number of applications received and the number completed since 2016.

Financial year	RTB applications	Sales complete
2016/17	160	24
2017/18	112	18
2018/19	114	11
2019/20 (to date)	53	7

Parking investigations

- 8.18 CAFS continue to investigate the misuse of disabled parking badges, and for the period 1 April 2019 to 30 September 2019 have successfully prosecuted 23 offenders. A further thirteen cases are currently lodged with the Council's solicitors awaiting court dates, while fourteen live cases remain under investigation.
- 8.19 From the successful prosecutions secured to date, fines totalling £6,529 were imposed, and defendants ordered to pay the Council a total of £9,432 in costs and victim surcharges. The table below identifies the wards where offenders were unlawfully parking when apprehended.

Ward	Prosecutions
West End	16
Marylebone High Street	3
Bryanston & Dorset	2
Hyde Park	2

- 8.20 In addition to stopping misuse by drivers, CAFS also cancelled nine blue badges where the badge holder was not eligible to have received the badge.
- 8.21 CAFS also investigate the misuse of residents parking permits and any suspicious applications. For the period 1 April 2019 to 30 September 2019 the

team have successfully detected and taken appropriate action against seven offenders.

National Fraud Initiative (NFI)

8.22 A vital component of the anti-fraud and corruption strategy is making better use of information and technology.

8.23 The Council participates in the National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.

8.24 The tables below highlight the number of referrals received from the NFI exercise, and the progress made to date.

Report Type	Westminster City Council	
	Number of Reports	Number of Matches
Blue Badges	3	218
Creditors History	7	4100
Creditors Standing	4	715
Council Tax Reduction Scheme	33	1088
Deferred Pensions	1	32
Housing Tenants	20	468
Personal Budgets	5	29
Procurement	2	21
Personal Alcohol Licence	1	10
Pensions	3	186
Payroll	9	242
Right to Buy	3	25
Private Residential Care Homes	3	40
Parking Permits	2	50
Waiting List	13	199
TOTALS	109	7423
Under Examination	21	394
Examination Complete	49	5546
Active In Case Investigations	N/A	12
Positive Results	N/A	46

8.25 The table below highlights successes generated from the NFI exercises to date.

All Positive Results for Westminster City Council			
Report No	Data match	Match ID	Comments
400.1	Personal Budgets to Benefits Agency deceased persons	4	The report highlighted that a deceased resident was still in receipt of Direct Payments. As a result of the data match, payments have now been stopped and an overpayment of £3,661.26 identified which is being recovered from the estate.
172.3	Residents parking permits to Benefits Agency deceased persons	25	The report highlighted an error in Parking records where a permit had not been cancelled despite notification of the permit holder's death.

710	Duplicate records by creditor name, supplier invoice number and invoice amount but different creditor reference	3	Reported identified a duplicate payment of £1,259.88 to a Westminster supplier. Action has been taken to recover the overpayment.
711	Duplicate records by a supplier invoice number and invoice amount but different creditor reference	Multiple (30)	Reported identified 30 duplicate payments, with a total value of £83,789.03 which had been made to Westminster suppliers. Action has been taken to recover the amount.
170	Blue badge to blue badge between local authorities	1	The report revealed a blue badge issued in error to a person who was only entitled to a white workers badge. CAFS investigators cancelled the badge.
482	CTRS to DWP deceased persons	2	CTRS claimant died, but the benefit was not cancelled. This issue was not identified until NFI 2018 CTRS reports. As a result, £3,707.33 of CTRS was given. This has now been withdrawn and a correct Council Tax bill reissued.
240	Waiting List to Housing Benefit Claimants	48	The report revealed that a person on the housing waiting list had found accommodation but not been removed from the list.
172.3	Residents Parking to DWP deceased	Multiple	The report revealed six residents parking permits where the permit holder had died. CAFS investigators cancelled the permits to ensure no future misuse.
240	Waiting List to Housing Benefits	8	The investigation did not find housing fraud but identified a person was not entitled to Westminster issued blue and white disabled badges which were cancelled.
712	Duplicate records by postcode, invoice date and invoice amount but different creditor reference and supplier invoice.	5	The report identified a payment of £2,917.20 which had been made to a Westminster supplier. Action taken to recover payment.
261	The housing waiting list to DWP deceased	4	Deceased person remained on the common housing register, but they have now been removed from the list.

9. Pursue

Deterrence

- 9.1 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.

Sanctions

- 9.2 Criminal prosecutions are one of the strongest fraud deterrents due to the powers and sanctions of the criminal court, including confiscation, the threat of a custodial sentence and a criminal record.

9.3 For the period 1 April 2019 to 30 September 2019, CAFS has successfully prosecuted 26 offenders, including;

- Falsely claimed business rates refund by a member of the public who had intercepted post intended for a company to request a refund. CAFS traced the suspect and the money who admitted the offence when questioned. The fraud loss of £45,000 was repaid in full.
- CAFS investigated a personal budget case and found an individual who had misused his mother's direct payments, intended to pay for her care, to feed his addictions. He was sentenced to an 18 months Community Order including 200 hours of unpaid work, a 20 days Rehabilitation Activity Requirement and an eight Curfew Requirement between the hours of midnight and 4 am. The judge ordered compensation, payable to the Council, for £9,580. This is to be repaid at £200 per month.
- Individual tried to use false work history and employment references when applying to join Westminster City Council. The prosecution resulted in a sentence of 16 weeks imprisonment suspended for two years and ordered to undertake 100 hours of unpaid work.

9.4 Details of the above cases are reported in Appendix 1.

9.5 To deter fraud, the Council must continue to publicise the successful outcomes of their investigations. CAFS record a positive result each time a story is published by the national or local media because positive publicity about the successful detection, prosecution or prevention of fraud may help to deter others.

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

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PRO-ACTIVE OPERATIONS

Source	Fraud Review	Details	Risk
<p>Risk Review</p>	<p>Market Traders: Permanent and casual street trading licences</p> <p>A review of the controls in place to mitigate the risks of fraud affecting the service.</p> <p>Perceived fraud risks included:</p> <ul style="list-style-type: none"> • Bribery and favouritism regarding casual street traders • Cash handling risks • Loss of revenue 	<p>The review of the service revealed it has a strong website presence and an easy to follow guide detailing 'how to become a market trader'. This guide confirms that pitch licences can only be paid for by debit card or direct debit (with a 10% discount offered for permanent pitch-holders paying by that method).</p> <p>Following interviews with key personnel and a review of operation processes, the risk review found that the new applications for pitches are processed by a back-office administrative team. The market inspectors no longer allocate pitches or handle any payments enabling them to focus on enforcement and licensing,</p> <p>This segregation of duties negated the primary fraud risks associated with bribery and cash handling.</p> <p>No other fraud risks were identified, and a final fraud risk assessment saw the risk score significantly reduce from 9 to 2.</p>	<p>Fraud risk register</p> <p>Risk score reduced ↓ LOW = 2</p> <p>Impact = Low 2 [Low financial loss, low political risk with low media coverage; low reputational risk]</p> <p>Likelihood = Rare 1 [No fraud reported last three years; No known occurrences outside organisation]</p> <p><i>Previously: Medium impact (3) and Possible likelihood (3)</i></p>

<p>Risk Review</p>	<p>Local Support Payment Scheme</p> <p>The local support scheme is designed to ensure that, in a crisis or an emergency, residents who are most at risk can receive access to the support they need.</p> <p>The local support scheme replaced community care grants and crisis loans for general living expenses. It is administered on our behalf by Kensington and Chelsea Council.</p> <p>Perceived fraud risks included:</p> <ul style="list-style-type: none"> • False applications • Collusion and insider fraud 	<p>Applications for local support payments can only be made for living expenses or for essential items following an emergency or to help people to settle in the community.</p> <p>Payments are made in three different ways;</p> <ol style="list-style-type: none"> 1. Vouchers to be exchanged for household equipment or furniture (usually refurbished items or in some cases new goods, removal expenses or utility connections. 2. Gift cards to be used in major supermarkets for food and essential products. 3. In exceptional circumstances, post officer vouchers can be awarded, which can be exchanged for cash. <p>Payments covering 2017 to date were reviewed and analysed to identify any potential discrepancies. This included the amounts paid, method of payment, method of stock control (gift cards) and the clients in receipt of the award. Closer scrutiny was applied to the post officer vouchers, which involved a much higher level of testing, more analytics and data matching.</p> <p>No discrepancies were identified, and controls were found to be reasonable and proportionate to the risk of fraud.</p>	<p>Fraud risk register</p> <p>Risk score reduced</p> <p>↓</p> <p>LOW = 4</p> <p>Impact = Low 2 [Low financial loss, low political risk with low media coverage; low reputational risk]</p> <p>Likelihood = Unlikely 2 [Controls adequate and review found no discrepancies]</p> <p><i>Previously: Medium impact (3) and Possible likelihood (3)</i></p>
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Pro-active operation	Odhams Walk, Covent Garden, London WC2H	<p>Odhams Walk is a desirable residential building organised around common courtyards, consisting of 104 properties and located in Covent Garden.</p> <p>CAFS have previously investigated several referrals alleging subletting and the use of Airbnb, but have not managed to gather sufficient evidence to prove any fraud.</p> <p>The address was therefore chosen as an ideal location to verify residency, interact with the community and raise awareness.</p> <p>The pro-active operation saw investigators visit all Council stock (62 flats) to verify residency, interact with tenants and to demonstrate that the City Council are committed to tackling tenancy fraud.</p> <p>Outcomes</p> <p>Residency in Council stock was verified throughout the building, although the tenant of one address failed to respond and this property currently remains under investigation.</p> <p>The operation has provided assurances that Odhams Walk does not have high levels of subletting. Although conversations with residents suggested that the leasehold properties within the building were subject to Airbnb short term letting. This intelligence has been shared with colleagues in Planning.</p> <p>The interaction has raised awareness amongst residents that the Council is committed to tackling tenancy fraud, and contact details were shared so that residents can raise any concerns directly with CAFS investigators.</p>	N/A
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Pro-active operation	Fitzrovia Court, Carburton Street, W1	<p>Fitzrovia Court is a sheltered accommodation block consisting of 30 homes and would normally be deemed a low fraud risk. However, the Corporate Anti-Fraud Service have previously investigated and successfully recovered three tenancies. Therefore, an exercise was undertaken to check and verify the residencies of all tenants in the block.</p> <p>The exercise involved unnotified visits to all properties in Fitzrovia Court, to verify residency. The officers also used the activity to raise awareness amongst onsite staff and to remind them of their duty to report fraud. The exercise showed them how to look for signs of non-residency and to recognise how unusual activity might suggest tenancy fraud.</p> <p>Outcomes</p> <p>The exercise verified the residency of all tenants, with one exception, and that was the subject of further investigations. As a result of these enquiries, officers found that the tenant was not using the flat as their main home and the tenancy terminated forthwith.</p>	One-bedroom property recovered
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NOTEWORTHY INVESTIGATIONS AND ACTIVITY

	Case Description
1.	<p>TENANCY FRAUD – An anonymous tip off suggested that the tenant of a Council property in Henry Wise House, Vauxhall Bridge Road, was not using the address as per their tenancy. The referral indicated that the tenant was subletting his property using Airbnb.</p> <p>Searches of Airbnb website found the property, which is a studio flat, advertised as a whole let along with over 300 reviews. CAFS found some of the reviews mentioned the tenant by his name, thanking him for his advice and local restaurant recommendations.</p> <p>Having obtained the tenant’s bank statements via POSHFA, the investigator found credits totalling over £125,000 covering four years. All payments were credited from either Airbnb, Paypal and WorldPay.</p> <p>When investigators visited the property, they found a man who denied being the tenant even though his appearance matched the tenant’s description. The next day the advert had been removed from Airbnb.</p> <p>The tenant failed to attend several interviews under caution, but when possession action commenced, he made representation to the Council via his solicitors. They asked for a further opportunity to be interviewed under caution for their client to provide an account of events. This was agreed, but again, the tenant failed to attend the interview. However, having applied the Codes for Crown Prosecutors to the facts of the case and the defendant’s circumstances, criminal action was not taken.</p> <p>At the possession hearing, the District Judge commented that the AirBNB evidence was strong and that there was no distinction between ‘short term let’ and subletting the home. The judge found in favour of the Council.</p> <p>At an unsuccessful appeal hearing the judge then agreed to the Council’s Unlawful Profits Order (UPO) of £100,974.94 – one of the highest that has ever been awarded to the Council. The tenant has now been evicted from the property.</p> <p>Cllr Andrew Smith, Westminster City Council Cabinet Member for Housing Services, said: “Social housing is there to provide much-needed homes for our residents, not to generate illicit profits for dishonest tenants. It’s illegal for council tenants to sublet their homes and we carry out tenancy checks, as well as monitoring short-term letting websites for any potential illegal sublets. Along with a six-figure unlawful profit order by getting a possession order, we can now reallocate the property to someone in genuine need of a home. We’re also pressing Government to introduce a national registration scheme to make it far easier for us to take action against anyone who breaks the rules on short term letting.”</p>

2.	<p>ADULT SOCIAL CARE - A resident living in Lanark Road required care and assistance from Adult Social Care. Unfortunately, she was not able to deal with her own finances, so a prepaid card was issued to her son so that he could pay for the support and care she required.</p> <p>Carers and family members must only use the money on the Card to help you meet the needs and goals that individuals agreed with their support worker. However, during a half year review it transpired that the son was using this money, not for his mother's care, but instead spending it on gambling websites. He had had misused over £9,000 with most spends being made with an online gambling site.</p> <p>The son was interviewed under caution and admitted spending the money. He said he was a drug, alcohol and gambling addict. He was trying to sort his life out and insisted his mother had still received the care during this period and that he owed a care company. No evidence of this was ever provided.</p> <p>At Westminster Magistrates he pleaded guilty to theft and was sentenced to a 18-month Community Order with requirements to undertake 200 hours of unpaid work, a 20 day rehabilitation activity, a nine month drug rehabilitation course and an eight week curfew requirement between the hours of midnight and 4am</p> <p>The judge also ordered compensation, payable to the Council in the sum of £9,580 but no order for costs. £200 per month, the first payment to be made within 7 days.</p>
3.	<p>APPLICATION FRAUD - The Council received an online job application for employment within Adult Social Care. During the subsequent recruitment process, it became apparent the application contained a substantial amount of false information. The case was referred to the Corporate Anti-Fraud Service for further enquiries to be made.</p> <p>Evidence was obtained from other councils which confirmed that the applicant had made five false statements on her application form. This included dates of engagement and reasons for leaving past employers; fictitious employers; failing to declare she was dismissed from a prior employer, and false employment referees.</p> <p>Prosecution action commenced taking in to account various public interest factors, including the premeditation displayed in creating and providing the false references and the level of the dishonesty displayed in the application.</p> <p>In May 2019 the individual pleaded guilty to all offences at the first hearing and was sentenced to 16-weeks imprisonment suspended 12 months. She was ordered to undertake 100 hours of unpaid work, and pay court costs of £300 and a victim surcharge £115.</p>

4.	<p>OVER INVOICING - An IT supplier completed work, as specified, for the Council and their contract was cancelled in October 2018. Despite written cancellation, further invoices were tendered by the company. These requests for payment were rejected, and no payments were made. However, the matter was referred to CAFS due to the repeated requests for payment.</p> <p>The case was unsuitable for a criminal investigation but was deemed appropriate to share intelligence with other local authorities. The dissemination of such information ensures that a proper level of scrutiny is applied to any payment requests from these IT suppliers, thereby protecting public funds.</p> <p>An intelligence report was disseminated to the National Anti-Fraud Network (NAFN), an organisation which handles evidence and intelligence enquiries on behalf of local authorities, and the case closed.</p>
5.	<p>SUCCESSION FRAUD - An investigation was instigated following a referral from Westminster's Housing department. The elderly tenant of a flat in Church Street, NW8 had passed away and a succession claim for the property had been submitted by her grandson.</p> <p>He was told that a succession could only be considered if he could prove that he had been living with his grandmother in the five years prior to her death. He duly continued with the application declaring that he had been living there since 2008 and in support of his claim he provided documentation including his bank statements.</p> <p>When the file was passed to CAFS an initial examination of the bank statements revealed what appeared to be rent payments since 2015 referenced as "HETLEY ROAD". The last payment made was in June 2018 which coincided with the tenant's death. Investigators then found a link to an address in Hetley Road, W12 and contact with the local council confirmed that the grandson was on the electoral register at this address between 2015 and 2018. Investigators located details for the landlord of the Hetley Road property and they confirmed that the grandson was their tenant from 2015 until July 2018.</p> <p>The grandson was invited to attend an interview under caution to explain his false application. He failed to attend but he sent an email stating that he would not be attending any meetings and that he was moving to Africa and would be returning the keys forthwith. He said that he had "made this honest mistake of writing 2008 rather than 2018".</p> <p>The keys were returned to this property on 2nd September 2019. Having recovered this two-bedroom property that can now be allocated to a family in need of support, the case was closed.</p>

6.	<p>BUSINESS RATES – An application for a refund of overpaid Business Rates was received from a company who had vacated their Baker Street business premises. The application was processed, and the credit balance of £45,668.76 refunded.</p> <p>A few months after the initial refund, a representative from the company contacted the Council to request the same refund, and it became clear that something was amiss, an investigation commenced.</p> <p>Enquiries were undertaken to establish the holder of the account that received the refund. This identified a personal account holder. Further interrogation of Council records showed this person had corresponded with Westminster City Council dealing with other matters and this included a handwritten form. Basic analysis of the handwriting matched it to the original application for a refund of overpaid Business Rates.</p> <p>The individual was asked to attend an interview under caution where she admitted that she had completed the refund application. She claimed that she had not done it for personal gain and never expected to receive the payment from the Council. In mitigation, she said that she was in a challenging situation in her own life.</p> <p>She also stated that she had not spent the money as she had savings and would be able to repay the money which had been taken. Full re-payment of the funds (£45,668.76) was received.</p> <p>The subject attended court for the first appearance on 1 May 2019 and entered a guilty plea to one charge of fraud by false representation. Sentencing was adjourned to 15 May 2019 where she received a six-month custodial sentence, suspended for 18-months. She was ordered to undertake 200 hours of unpaid work and ten-day rehabilitation requirements.</p> <p>The Council were awarded costs of £750 and a victim surcharge £115.</p>
7.	<p>VENDOR FORM DISCREPANCIES - A case was referred to CAFS when a supplier provided conflicting information on New Vendor Forms, which caused doubt about the ownership and operation of the business and raised concerns regarding possible overcharging.</p> <p>The investigation showed false and conflicting information had been provided. However, no evidence suggested works by the supplier had not been completed, nor any signs of loss to the Council.</p> <p>A review of processes did not identify any duplication in invoicing, and a substantive sample of the invoiced work confirmed it had been completed. No fraud against WCC was found, but it raised concerns regarding other criminality, i.e. revenue offences. Referral made to appropriate law enforcement agency.</p>

8.	<p>TENANCY FRAUD - Allegation received from Peabody Housing Association who asked CAFS to investigate a potential tenancy fraud on their behalf, with the promise of nomination rights if we recovered the property. The referral stated that their Hanover Flats, Binney Street, tenant may be living in Ethiopia and another unauthorised occupant has been living in the property who claimed to be the tenant's brother.</p> <p>Enquiries showed that although the tenant had some financial links to the address the majority of links were for the suspected subtenant. UK Border enquiries, with confirmation from the airlines, showed that the tenant had not been in the UK since October 2017 and that this had been a return flight originating from Ethiopia.</p> <p>Prevention of Social Housing Fraud Act powers were used to obtain bank statements for all accounts held by the tenant which confirmed that there had also been no UK activity on his bank accounts since October 2017 confirming that he had been out of the UK throughout.</p> <p>In June 2019 the occupant of the property attended court and confirmed that the tenant was in Ethiopia, no defence was filed and an outright possession order was granted.</p>
9.	<p>TENANCY FRAUD - CAFS received a referral from the Housing Department who suspected that the tenant, of a flat on the Churchill Gardens Estate, was not residing in the UK. The tenant's husband was believed to be a Minister in the Nigerian government, and Housing believed that the couple's principal place of residence was Nigeria.</p> <p>During an (unsuccessful) unnotified visit to the address in Blackstone House, investigators phoned the tenant to ask her whereabouts. Still, she would not give specific details but did confirm she was "not in London" and also stated that no-one was at the property.</p> <p>At a later visit, she was found in the property. She stated that although she lives at in Blackstone House, she does spend considerable time at other addresses both in the UK and abroad. She sometimes stays in a friend's student accommodation at Hatfield University, and sometimes at a flat in Fulham owned by her husband.</p> <p>Our enquiries into the Fulham property later confirmed that she had been renting the property from the landlord (Marsh & Parsons) since 2015. Marsh & Parsons confirmed that she had been resident at the address since signing the tenancy agreement. Further enquiries all placed her at the Fulham address.</p> <p>The tenant was invited to attend an interview under caution but replied: "no comment" to the interview questions. Instead, she provided a prepared statement advising that due to overcrowding at Blackstone House, her husband and two sons moved into the Fulham property.</p> <p>Because of the evidence amassed a notice seeking possession was served and the case listed to appear at the Royal Courts of Justice. However, the tenant's defence made representations to settle, and the tenant returned her keys and surrendered her tenancy in August 2019.</p>

10. BLUE BADGE FRAUD - During a routine inspection of parked vehicles displaying a disabled parking blue badge, the investigating officer came across a gentleman who was seen to alight a car without anyone else in the car before picking up different passengers and seeking to drive off.

The investigator intervened and asked to see the badge, which showed it belonged to the driver's mother, who was not present. The driver claimed his mother was staying at a hotel, around the corner, and then claimed she was just in the guests' room. The guests being the three unnamed individuals carrying suitcases with him to the car. He then gave three different accounts as to why the inspecting officer couldn't see his mother (religion, baby crying, being late).

A signed account of the driver's explanation was taken. However, displaying a blue badge to obtain parking concessions, without the badge holder's presence is an offence, and the matter, therefore, progressed to court where the driver pleaded not guilty.

The driver gave evidence and claimed he was receiving unnamed guests from abroad and that he had driven to pick them up to take them back to his mothers' house about a three to four-minute drive away for a welcome dinner. He claimed he initially parked the car with his mother in Herbert Street as this was the set down/drop off point for the Hilton Hotel. He claimed he left his car on double yellow lines and took his mother in a wheelchair up to the guests' room before moving the vehicle to park it on Chapel Street where the investigator confronted him. He claimed he returned to the car with his family friends and intended to drop them back at his mothers' home before returning to retrieve his mother and the elderly visitor.

He was also cross-examined on the inconsistencies when challenged by the investigator. The fact he initially claimed his mother was staying at the hotel and then claimed she was just in the guests' room; why he gave three different accounts as to why the investigator couldn't see his mother. The driver was not a credible witness under cross-examination.

The Magistrates retired to consider their decision. Upon their return, they commented that they were satisfied that the badge holder was not present and was confident that the offence was committed. They said that even if they believed the defendant's story, which they do not believe, because of the inconsistent evidence, that would not have amounted to a defence to this offence.

They said that for the avoidance of doubt, they found the driver's evidence to be evasive and non-committal throughout and rejected his account of what happened.

In finding the driver guilty, they sentenced him to a fine of £660 and ordered him to contribute to costs £1,145 plus £65 victim surcharge. Ordered to repay at a rate of £150 per month.

11.	<p>TEMPORARY ACCOMMODATION - An anonymous tip off suggested that the resident of temporary accommodation in Grays, Essex had moved back to her mother's home and was now subletting the temporary address. She was no longer homeless or in urgent need of assistance.</p> <p>Enquiries found her linked to her mother's home in Basildon, but no links to the address she was meant to be living in. Through, liaison with counterparts in Basildon and Thurrock councils, the investigating officer organised simultaneous visits to both the temporary accommodation property and her mother's address in Basildon.</p> <p>Officers found her at the address in Basildon where she denied any subletting and said she'd be returning to the Grays address later with her boyfriend. Officers noted she was in her nightclothes.</p> <p>The managing agents of the temporary accommodation conducted an inspection to the property and found it had been trashed. There was no evidence of the tenant.</p> <p>In view of the evidence amassed the temporary accommodation was ended and Housing Solution Services discharged their duty to assist this individual.</p>
12.	<p>SPAM EMAIL FRAUD - CAFS were alerted to a revised version of "CEO Fraud" which tried to exploit schools during the summer holidays. Using fake emails purporting to be from Headteachers and the Chair of Governors, fake requests for immediate payment transfers were made.</p> <p>This type of fraud was originally named "CEO Fraud" because fraudsters used false emails purport to be from the CEO of small companies, instructing their staff to make immediate payments. Staff, often a junior employee, will do as their boss has instructed, only to find that they have sent money to a fraudster's bank account. Once the money is transferred the fraudster will normally redistribute this money into other mule accounts and then close down the bank account to make it untraceable.</p> <p>This revised version follows the same modus operandi but pretends to be from the Headteacher or Chair of Governors.</p> <p>This scam was attempted locally when the finance officer of a nearby primary school received a fake email from the headteacher to make a payment of £9,500. The vigilant finance officer quickly spotted the fake email and alerted CAFS to the attempted fraud.</p> <p>CAFS produced a fraud alert, warning all schools of the danger of scam emails and providing advice on how to protect themselves. This was immediately circulated to all schools across the City Council.</p>

13.	<p>SUCCESSION - A succession application for a one-bedroom property in Drakeland House had been refused, but this was challenged. While the case was with Legal, they asked CAFS to undertake further investigations to prove the succession was false.</p> <p>Initial enquiries linked the applicant to an address in Waltham Forest, and liaison with the local council confirmed that this was a council property which had been investigated by their fraud team. That investigation found our succession applicant to be living in Waltham Forest. She had even provided Waltham Forest investigators with a witness statement to confirm her dates of residency. This showed she had never lived in Drakeland House and proved her succession application was false.</p> <p>The witness statement was later obtained from the Waltham Forest fraud team and shown to the applicant, but she denied ever signing it. However, when the case reached court, she failed to attend the possession hearing, and the Council was awarded the property. Court bailiffs subsequently evicted her.</p>
14.	<p>BUSINESS RATES & COUNCIL TAX - In April 2019 a fraud alert was disseminated to the revenues and benefits department warning them of an increased threat affecting business rate and council tax refunds.</p> <p>The National Anti-Fraud Network notified us that fraudsters were targeting local authorities by setting up new NNDR and CT accounts and making substantial payments with stolen credit/debit cards. They subsequently contact the Council advising they are vacating the premises and request a refund of the initial payment. To complete the scam, they request the refund be paid direct to a bank account rather than the initial card used to make payment. The alert identified two suspects, by name and a potential linked address in SW9.</p> <p>The alert prompted NNDR staff to check accounts and found that one of the named suspects set up a Westminster NNDR account for premises on Great Portland Street W1 and had, in a single day, made three payments totalling £8,000 towards the account. He was subsequently requesting the full £8,000 to be refunded.</p> <p>Enquiries established that along with the successful payments, there were ten unsuccessful attempts to make payments to the account, each with a different credit/debit card. Contact was also made with the occupants of the Great Portland Street business premises who confirmed that the person named was not liable for NNDR and there had been no recent change of occupant.</p> <p>In view of the above CAFS sent a Suspicious Activity Report to the National Crime Agency (NCA) and the matter was reported to Action Fraud. The Council has since received no subsequent contact from the named subject.</p> <p>The action taken reflects the importance of CAFS role in sharing intelligence and disseminating fraud alerts across Council services.</p>

WESTMINSTER CITY COUNCIL

FRAUD RESPONSE PLAN



City of Westminster

Date of Issue	Date of last issue	Review Date
November 2019	November 2018	November 2020

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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; and,
 - 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; and,
- 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; and,
- 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; or,
 - Executive Director – Finance and Resources.
- 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 Performance 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.

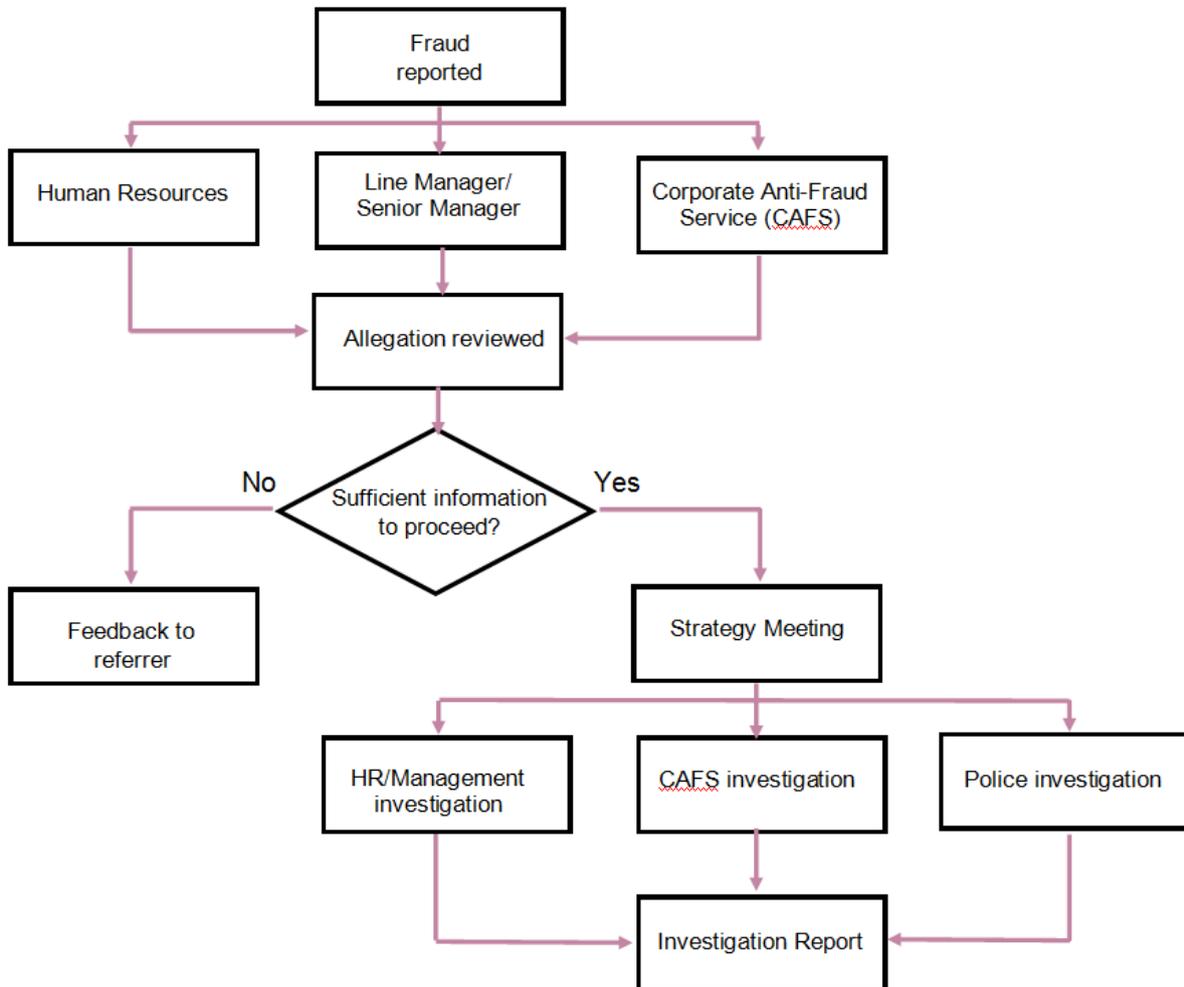
6.4 The Council may also consider taking civil action to recover the loss.

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, David.Hughes@rbkc.gov.uk, 07817 507695
- Head of Fraud: Andy Hyatt, Andrew.Hyatt@rbkc.gov.uk, 07739 313817
- Executive Director – Finance & Resources: Gerald Almeroth galmeroth@westminster.gov.uk, 020 7641 2904
- Fraud Hotline: 020 7361 2777

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



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WESTMINSTER CITY COUNCIL

ANTI-BRIBERY POLICY



City of Westminster

Date of Issue	Date of last issue	Review Date
November 2019	November 2018	November 2020

INDEX

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); and,
- 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; and,
- 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; or,

- 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 this procedure, please contact:
- Director of Audit, Fraud, Risk and Insurance: David Hughes, David.Hughes@rbkc.gov.uk, 07817 507695
 - Head of Fraud: Andrew Hyatt, Andrew.Hyatt@rbkc.gov.uk, 07739 313817
 - Executive Director – Finance & Resources: Gerald Almeroth, galmeroth@westminster.gov.uk, 020 7641 2904
 - 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 2019	November 2018	November 2020

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1. [Introduction](#)
2. [What is Money Laundering?](#)
3. [What is Terrorism Financing?](#)
4. [What are the main offences?](#)
5. [What are the obligations on the Council?](#)
6. [Nominated officers](#)
7. [High value cash transactions](#)
8. [What should I do if I suspect money laundering?](#)
9. [Suspicious Activity Reports \(SARs\)](#)
10. [Policy and procedure](#)

[Appendix 1 – making a report to the MLRO](#)

[Appendix 2 – procedure for reporting \(flow chart\)](#)

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 channeling '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; and,
- 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: Gerald Almeroth**
Executive Director – Finance and Resources,
galmeroth@westminster.gov.uk, 020 7641 2904
 - **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; and,
- Why you are suspicious.

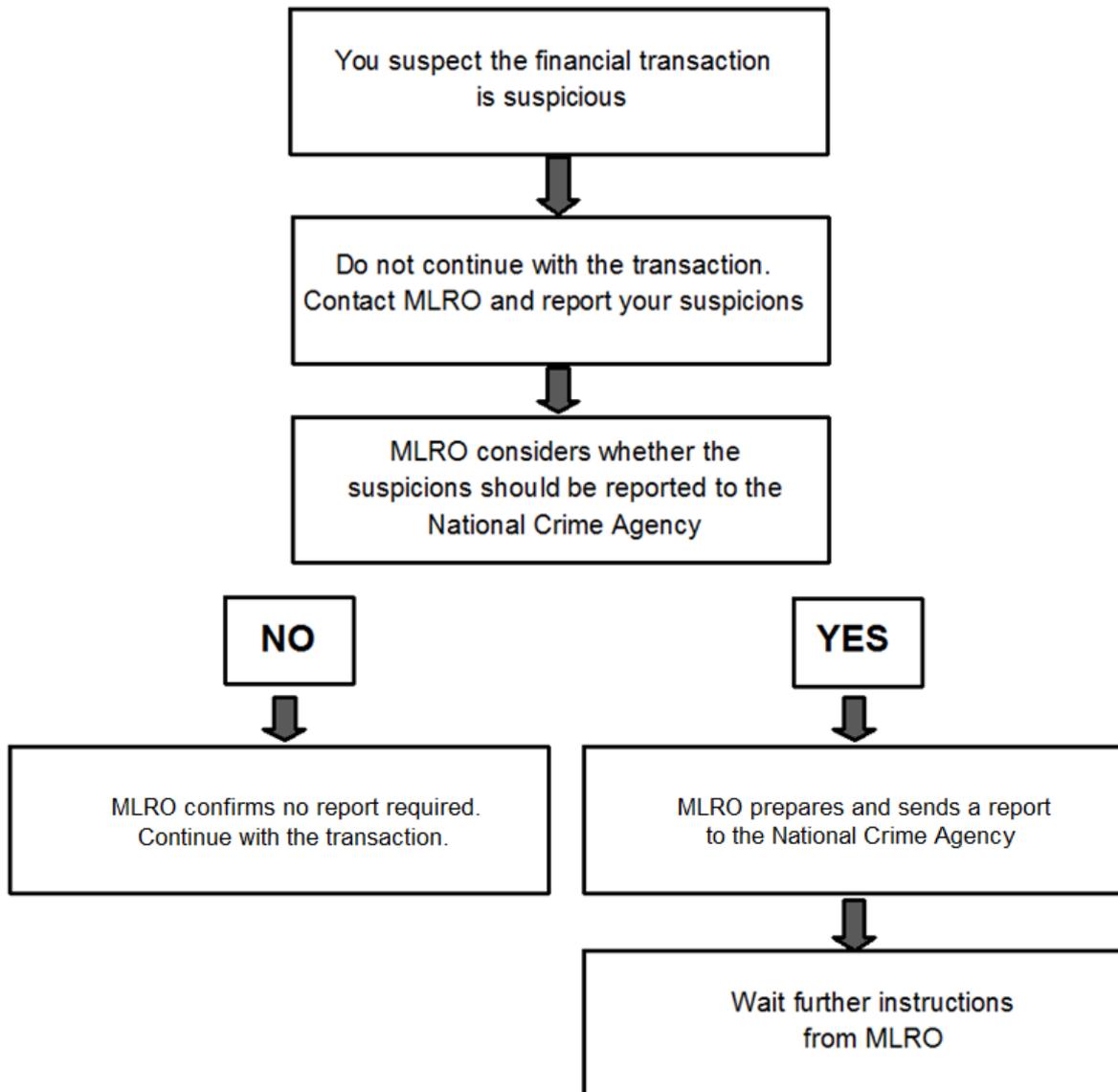
This will assist the MLRO to make a judgement as to whether there are reasonable grounds for assuming knowledge or suspicion of money laundering. The MLRO may initiate an investigation to enable him to decide whether a report should be made to the NCA.

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)





City of Westminster

Audit & Performance Committee Report

Date:	27 November 2019
Classification:	General Release
Title:	Work Programme
Wards Affected:	N/A
Financial Summary:	There are no direct financial implications arising from this report
Report of:	Head of Committee and Governance Services
Report Author:	Artemis Kassi Senior Committee and Governance Officer

1. Executive Summary

- 1.1 The Committee is invited to review its work programme for the 2019/20 municipal year attached at **Appendix 1**, and to confirm the agenda items for its next meeting on 5th February 2020.
- 1.2 The Committee is asked to note the actions which arose from its meeting on 19th September 2019, as detailed in **Appendix 2**.
- 1.3 The Committee is also asked to note that the item on the Basic Command Unit has been reassigned to the Unallocated Items of the Work Programme.

2. Recommendations

It is recommended that the Committee:

- 2.1 agree the agenda items for its next meeting on 5th February 2020, as set out in Appendix 1 to the report; and
- 2.2 note the actions which arose from the last meeting, as detailed in at Appendix 2 to the report.

3. Choosing items for the Work Programme

- 3.1 The Work Programme for 2019/20 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 3**) 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 Task Groups operating at present.

5. Monitoring Actions

- 5.1 The actions arising from each meeting are recorded in the Action Tracker attached as Appendix 2. 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:

Artemis Kassi, Senior Committee and Governance Officer

Tel: 078 1705 4991 or email: akassi@westminster.gov.uk

APPENDICES:

Appendix 1 – Work Programme 2019/20

Appendix 2 – Committee Action Tracker

Appendix 3 – Terms of Reference

BACKGROUND PAPERS: None

Work Programme 2019/20

Audit and Performance Committee

27 November 2019

Agenda Item	Reasons & objective for item	Lead Officer
Grant Thornton Annual Audit Letter 2018/19	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 2019-2020 Audit	To consider an update on the 2019 - 2020 Audit and key information on accounting changes and emerging issues for local government	Paul Jacklin Paul Dossett (Grant Thornton)
Finance and Performance 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.	Gerald Almeroth (Finance) Dave 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 Moira Mackie (Internal Audit)
Corporate Complaints 2018/19	To report on the volume and details of complaints received by the City Council 2018/19.	Sue Howell (Complaints)
Mid-Year Counter Fraud Monitoring Report	To oversee and monitor the success of the Counter Fraud Service.	Andy Hyatt (Anti-Fraud)

Review of Anti-Fraud Policies	To review and approve the following which are maintained by the Corporate Anti-fraud Service: <ul style="list-style-type: none"> • Whistleblowing Policy • Fraud Response Plan • Anti-bribery Policy • Anti-money Laundering Policy (including procedures) 	Andy Hyatt (Anti-Fraud)
Work Programme 2019/20	The Committee is invited to review its work programme for the 2019/20 municipal year.	Artemis Kassi

5 February 2020

Agenda Item	Reasons & objective for item	Lead Officer
Grant Thornton Certification of Claims and Returns Annual Report (Audit 2018/19)	To report the findings from the certification of 2018/19 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 (Finance)
Grant Thornton Annual Audit Plan 2019/20	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 2019/20.	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 2019/20 business plans.	Gerald Almeroth (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 2020/21	To review and comment on the draft audit plan for 2020/21	David Hughes (Internal Audit)
Integrated Business Centre Update	To receive an update on the arrangements with Hampshire County Council.	Dave Hodgkinson Rhoda Phillips (Finance)
Westminster Housing Service	To receive a report on performance from the Council's Housing Directorate.	Barbara Brownlee (Housing)
Work Programme and Annual Report	The Committee is invited to review its Work Programme, and to consider its draft Annual Report.	Artemis Kassi

30 April 2020

Agenda Item	Reasons & objective for item	Lead Officer
Draft Annual Statement of Accounts and Outturn 2019/20	To review the draft 2019-20 Annual Statement of Accounts and outturn.	Gerald Almeroth (Finance)
Draft Audit Findings Report 2019/20	To review the reports from the Council's external auditors on the key findings arising from their audit of the councils 2019-20 financial statements (Council and Pension Fund)	Paul Dossett Paul Jacklin (Grant Thornton)
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 3 performance results against the 2019/20 business plans	Gerald Almeroth (Finance) Mo Rahman/ Damian Highwood (Performance)
SEN Transport –	To review progress and key performance	Annabel Saunders

Progress and Performance	indicators for the contracts for SEN Transport - including how the money was being spent and service delivery after 6 months of operation.	(Commissioning)
Work Programme	The Committee is invited to review its Work Programme.	Artemis Kassi

Unallocated Work Programme Items

Agenda Item	Reasons & objective for item	Lead Officer
The Metropolitan Police Service - Basic Command Unit (Westminster)	To monitor the performance of KPIs for the Police Basic Command Unit for Westminster following implementation.	Sara Sutton (City Management & Communities)

COMMITTEE ACTION TRACKER
ACTIONS: 19 September 2019

ACTION	OUTCOME	LEAD OFFICER
FINANCE AND PERFORMANCE BUSINESS PLAN MONITORING		
1. Committee Members to receive the report on knife crime that was submitted to the City Management & Public Protection Policy & Scrutiny Committee on 10 September.	Circulated to Committee Members.	Sara Sutton - Executive Director of City Management & Communities
2. Committee Members to receive details of the policy on Social Value contracts requests.	Circulated to Committee Members.	Gerald Almeroth - Executive Director of Finance & Resources
3. A report on the performance of the Basic Command Unit for Westminster, including Key Performance Indicators, to be included in the Committee Work Programme for the next meeting on 27 November.	In progress. This has been added to the Work Programme.	Sara Sutton - Executive Director of City Management & Communities
4. Details to be provided of the reasons why performance of the Agilysys customer service contract was off-target in Quarter 1, together with an explanation of any issues remaining in Quarter 2.	In April 2019 a new Dynamics CRM system went live in the Agilysys contact centres as part of our plans to have a single view of the customer, meaning 'one customer – one record', and improving customer service. As with any new system, even with mitigation measures put in place, in the immediate period after go live, there was an impact on the in-hours service levels and wait times, as well as email handling. Additional resources were deployed along with further training to help overcome the short-term impact. Service levels and call handling were closely monitored throughout, and have now stabilised as the system has bedded in.	Julia Corkey, Executive Director of Policy, Performance & Communications
5. A deliverable target for tree planting in Westminster to be established; together with general infrastructure greening.	Details circulated to Committee Members.	Sara Sutton - Executive Director of City Management & Communities
6. Details to be provided of how Children's Services are managing the finance and restructure of	Details provided in Period 6 Monitoring Report, section 5.	Andrew Tagg, Director of Operations and Management,

schools in response to school budgets and deficits.		Children's Services
7. Analysis to be provided of the financial pressures on Adult Social Care and the implications for the City Council.	In progress.	Gerald Almeroth - Executive Director of Finance & Resources
8. Analysis to be provided of the underlying reasons for the increase in fixed-term exclusions; including a breakdown of the reasons for exclusion; schools; age groups; and any other characteristics available.	In progress.	Sarah Newman – Bi-Borough Executive Director of Children's Services

AUDIT AND PERFORMANCE COMMITTEE TERMS OF REFERENCE

CONSTITUTION

Four Members of the Council, three Majority Party Members and one 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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